

UPSON

Sources of Municipal Revenue in Illinois

Political Science

Ph. D.

1911

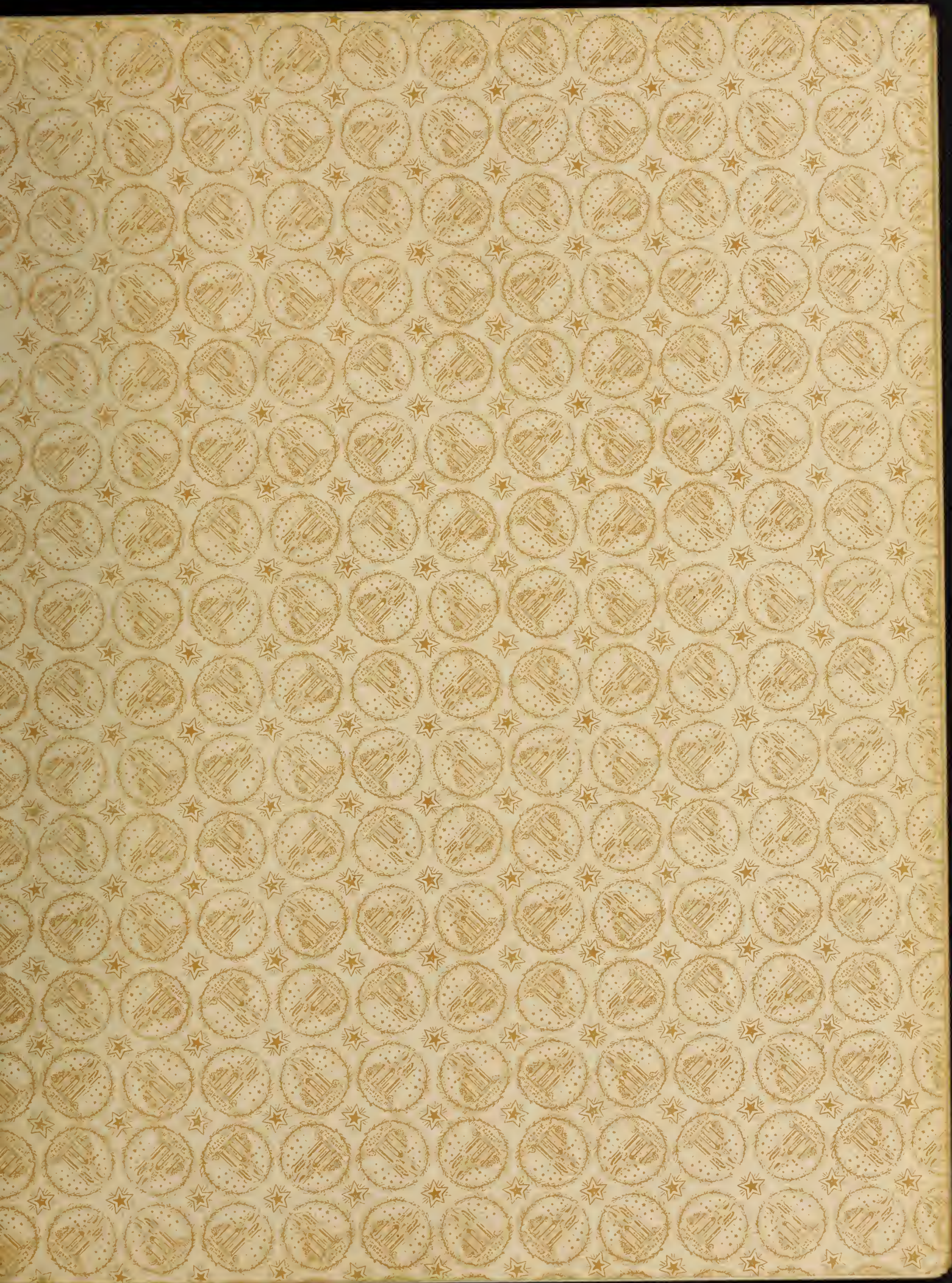
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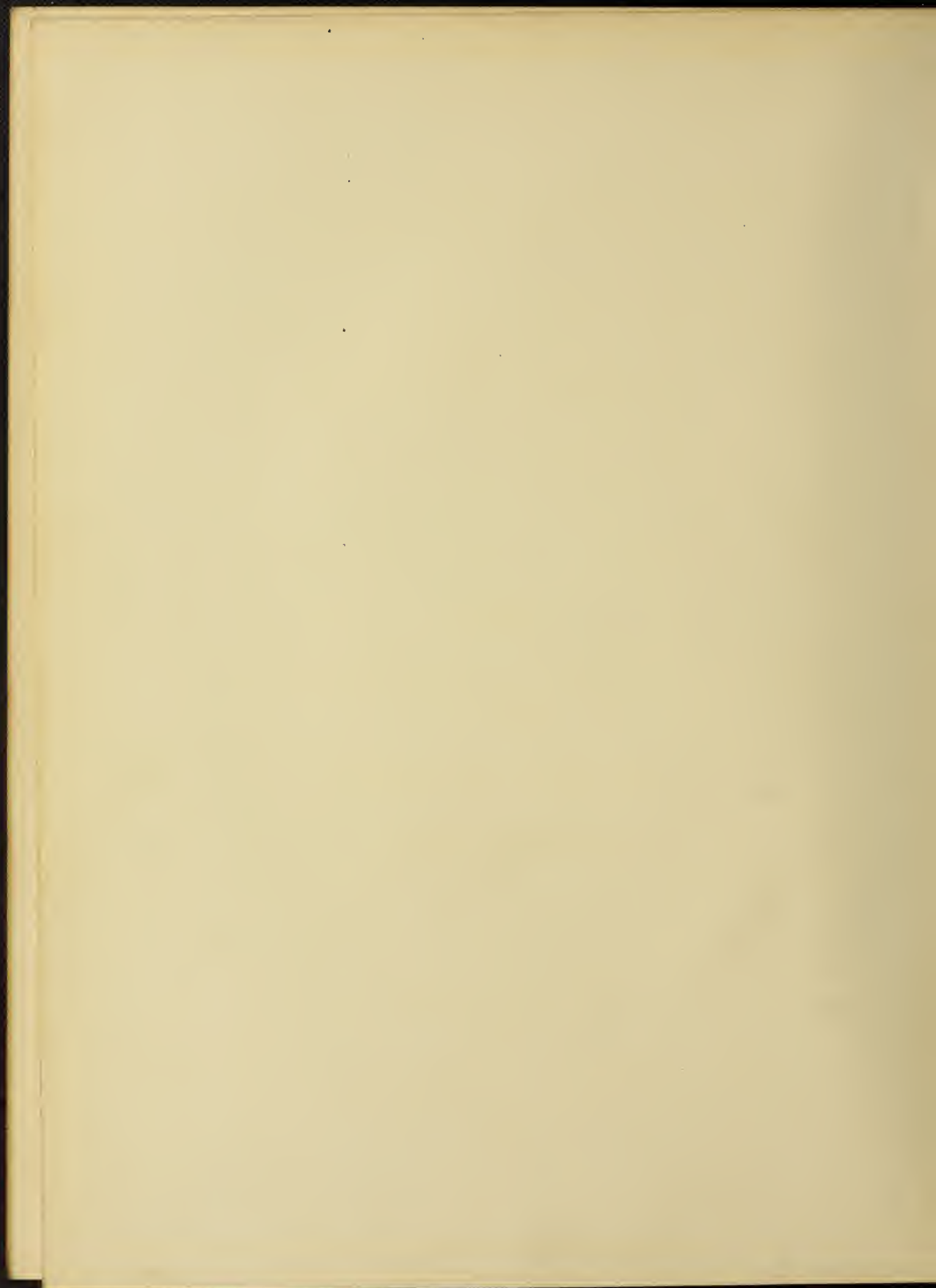
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Volume





SOURCES OF MUNICIPAL REVENUE IN ILLINOIS

BY

LENT DAYTON UPSON

B. A. University of Wisconsin, 1908

THESIS

Submitted in Partial Fulfillment of the Requirements for the

Degree of

DOCTOR OF PHILOSOPHY

IN POLITICAL SCIENCE

IN

THE GRADUATE SCHOOL

OF THE

UNIVERSITY OF ILLINOIS

1911

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THE UNIVERSITY OF CHICAGO

DEPARTMENT OF CHEMISTRY

RESEARCH REPORT

ON THE

STRUCTURE

OF

THE

CRYSTAL

1911
Up

UNIVERSITY OF ILLINOIS
THE GRADUATE SCHOOL

May 13, 1911

I HEREBY RECOMMEND THAT THE THESIS PREPARED UNDER MY SUPERVISION BY

Lent Dayton Upson,

ENTITLED *Sources of Municipal Revenue in*
Illinois

BE ACCEPTED AS FULFILLING THIS PART OF THE REQUIREMENTS FOR THE

DEGREE OF *Doctor of Philosophy*

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In Charge of Major Work
J. H. Garner
Head of Department

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Committee

on

Final Examination

1911
Up1



1911

TABLE OF CONTENTS.

Chapter I. Introduction.	1.
Chapter II. Taxes, licenses and police fines.	4.
Property taxation.	4.
Road taxes.	22.
License revenues.	23.
Liquor licenses	23.
General licenses	29.
Business taxes	44.
Vehicle licenses	47.
Foreign fire insurance tax	50.
Police fines	51.
Chapter III. Gifts, grants and subventions	64.
School revenues	64.
State grants	64.
Endowment income	64.
Tuition	66.
Miscellaneous income	66.
Gifts by individuals	66.
Chapter IV. Revenues from services rendered	68.
Fees and inspections	68.
Departmental receipts	72.
Sale of public property	72.
Miscellaneous revenue	72.

Public service privileges	72.
Special assessments	80.
Chapter V. Municipal enterprises	89.
Municipal industries	89.
Water plants	90.
Electric light plants	106.
Cemeteries	113.
Libraries	114.
Hospitals	117.
Street railways	118.
Sewers	120.
Use of city real estate	120.
Use of other city property	122.
Interest on city funds	122.
Chapter VI. Loans	127.
Bonds	127.
Tax warrants	132.
Floating indebtedness	138.
Chapter VII. Summary and conclusions	139.
Summary of receipts	141.
Conclusions	145.

TABLES.

1. Relation of property taxes to total income; tax rates and per capita tax income in twenty-four Illinois cities in 1909.
2. Assessed valuation by classes of property and total assessment in twenty-four Illinois cities in 1909.
3. Relation of assessments of real and personal property to the total assessment in both cities and counties, and the relation of city personalty assessment to the value of city lots in 1909.
4. Receipts from town collectors and county treasurers.
5. Number of saloons, population per saloon, license rate, and other matters relative to saloons in 1909.
6. Total and percapita income from taxes in 1909.
7. Principal licenses and rates in twenty-four Illinois cities.
8. Business taxes, rates, and total income for the year 1909.
9. Vehicle licenses, rates, and income for the year 1909.
10. Total and percapita income from foreign fire insurance taxes in 1909.
11. Disposal of arrests in 1909.
12. Disposal of arrests on a percentage basis in 1909.
13. Statistics on strength of police forces, number of arrests, city income per arrest, population per officer, etc. in 1909.
14. School revenues in 1909.
15. Receipts from fees, charges, and other miscellaneous sources in 1909.

16. Fee offices and method of reporting.
17. Rates, and income from franchise taxes in 1909.
18. Date of grant and expiration of franchises.
19. Special assessment statistics in 1909.
20. Ratio of operation costs to revenue in waterworks.
21. Ratio of operation costs to revenue and "total of all costs" in waterworks.
22. Statistics relative to cost per hydrant in municipal water-plants in Illinois cities.
23. Statistics relative to cost of operation per million gallons pumped by municipal water plants in 1909.
24. Statistics relative to the operation of municipal lighting plants in 1909.
25. Charges by private plants for arcs.
26. Income and cost of operation of municipal burial grounds in 1909.
27. Revenue from public libraries in 1909.
28. Revenue from the use of city real estate in 1909.
29. Balances and receipts for special funds, special assessments and general funds in 1909.
30. Statistics relative to municipal indebtedness in 1909.
31. Statistics of population, fiscal year, etc.
32. Sources and totals of general revenues in 1909.
33. Sources of general revenues in percentages in 1909.

16. The effect of the ...
17. The ... in 1880.
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INTRODUCTION.

The purpose of this study is to examine the sources of municipal revenues in the state of Illinois as typified by the budgets of a number of cities, ^{in the year 1909,} with a view of noting the budget variations in the municipalities of different sizes and of determining what possible means of revenue are left unutilized. As the population of cities increase^s, the cost of government for each person increases, yet the maximum legal tax rate is the same for all municipalities. In consequence every municipal corporation is seeking new sources of revenue other than that of property taxation. It is endeavored here to point out such sources as may be legally used in Illinois, with such comment upon the expediency of their use as the statistics may justify.

Preliminary to an examination of the budgets of the cities considered, a review was made of the state statutes effecting municipal revenues. Reference has been frequently made in the text to these statutes, and some notation has been made of every legal source of municipal revenue.

To secure data upon which to base conclusions regarding the use of statutory sources of municipal revenues, an examination was made of the budgets of twenty-four cities of over 8000 population, located in various parts of the state. Chicago was not considered owing to the magnitude of the task, and the fact that a comprehensive study has already been made of the city's revenue system.¹

The plan was to secure a statement of the entire revenues of each city, as well as such supplementary information as was necessary. Numerous questionnaires were sent to municipal officers,

1. Merriam, Report on the Municipal Revenues of Chicago.

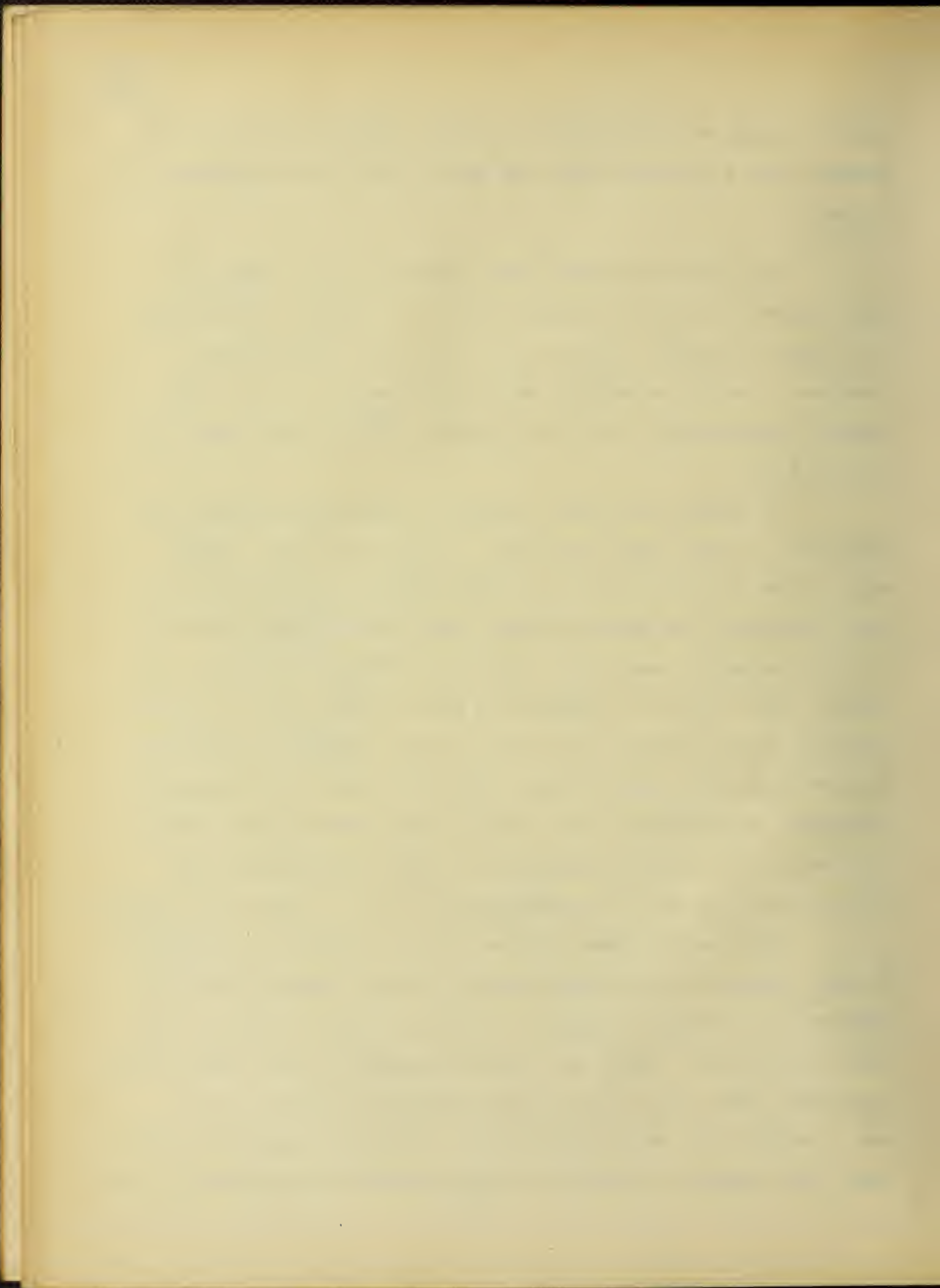
The first of these is the fact that the
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 been greatly reduced since the
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 is that the mortality has been
 greatly reduced. This is due to the
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annual reports were obtained from nearly one-half of the cities studied, and a personal visit was made to all but two, -Quincy and Joliet.

Questionnaires proved most ineffective as a means of securing information, it being difficult to secure a reply even to a direct question. Also no city report was sufficiently complete to supply an entire exhibit of data for a city. Frequently departmental reports were omitted ^{or} ~~on~~ included only in a partial form.

In twenty-two cities visited it was seldom possible to obtain all of the figures desired. In some cases the records kept by the city clerk were not sufficiently comprehensive. In other instances the desired figures were available but were distributed among the many other municipal officers. Owing to the limited time allowed for collecting data in each city it was impossible in such cases to call upon all the officers concerned. However, in all but three cities, which are noted in the text, information was secured of the complete city revenues for general purposes; and in the municipalities in which omissions occur, the sums involved are so insignificant as not to affect the results.

The general scheme followed in the collection of material is that employed by the Census Bureau for the tabulation of the statistics of cities, a general outline of which is given in the table of contents. Since the cities involved in this study are of relatively small size, with simple financial systems, it was not necessary, nor was it possible to investigate municipal revenues with a degree of detail even approaching that employed by the



Census Bureau. On the other hand considerable material is included in the study, which, while it does not enter directly into the making of city budgets, will be of value to officials seeking to increase such budgets. The more important of this data is relative to the cost of operation of municipal water and light plants, the term and date of expiration of public service franchises, and the rate of license taxes. Facts of a similar nature accompany the discussion of each division of municipal revenues.

While it happens frequently that supplementary data of this nature is missing for certain cities it is hoped that sufficient material is at hand to indicate the general tendencies of municipal action in revenue matters. Further, it is attempted to show that legal sources of revenue have not been utilized, not because they would not produce a considerable revenue, but owing to opposition to that particular form of taxation. In other instances that possible sources of revenue have been neglected because the cost of collection was too large in proportion to the revenue received; and in still other cases, that a scientific and impartial collection of charges would result in increased funds.

THE HISTORY OF THE

REIGN OF

THE GREAT KING
OF GREAT BRITAIN
AND OF THE
IRISH EMPIRE
BY
JOHN HANCOCK
OF THE
MIDDLE TEMPLE
ESQ.

IN TWO VOLUMES.
THE FIRST VOLUME.
CONTAINING
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AND OF THE
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BEGINNING OF
THE REIGN OF
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OF GREAT BRITAIN
AND OF THE
IRISH EMPIRE
UNTIL THE
DEATH OF
THE GREAT KING
OF GREAT BRITAIN
AND OF THE
IRISH EMPIRE.

LONDON:
Printed by J. HANCOCK, at the
MIDDLE TEMPLE, in the
Year 1710.

CHAPTER II.

TAXES, LICENSES AND POLICE FINES.

Property Taxation.

The Constitution of 1870 grants to the General Assembly the right to vest municipalities with the power to assess and collect taxes for corporate purposes.¹ This privilege is restricted by constitutional provisions which require that the levies be uniform in respect to persons and property; that privilege taxes be uniform as regards the class in which they operate; that the legislature must not levy upon municipal corporations for corporate purposes; and provide for a popular referendum vote in the case of certain bond issues and special taxes.

The general municipal incorporation act of 1872, the revenue clause of which was amended in 1897 to apply to all cities incorporated in any manner,² endows municipal councils with the following powers:

- a. to control the finances and property of the corporation;
- b. to appropriate money for corporate purposes only, and to provide for the payment of the debts and expenses of the corporation;
- c. to levy and collect taxes on real and personal property for general and special purposes;

1. Constitution of 1870, Art. 9, par. 9.

2. Revised Statutes, ch. 24, par. 283.

TABLE, showing the results of the

General Results.

The Committee of the Board of Directors of the American Chemical Society, in its report to the Association, has the honor to state that the results of the work of the Committee during the past year have been of a most satisfactory character. The Committee has been able to secure the cooperation of the various departments of the Society, and has been able to carry out its plan of work in a most efficient manner. The results of the work of the Committee during the past year have been of a most satisfactory character. The Committee has been able to secure the cooperation of the various departments of the Society, and has been able to carry out its plan of work in a most efficient manner.

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- d. to fix the amount, terms and manner of issuing and revoking licenses; and
- e. to borrow money on the credit of the corporation for corporate purposes.¹

The revenue clauses of the law also prescribe the method of assessment and collection of taxes; provide that all expenditures shall be included in an annual appropriation measure passed by the city council, and that no further appropriation may be made from taxes except upon a majority vote of the citizens;² that appropriations must precede contracts and the tax levy follow the appropriations;³ that the ordinance must state the rate or amount of tax, and the purpose of the tax. The appropriation ordinance and the levy ordinance are required to be distinct, and the former must be passed first.⁴ The levy ordinance is filed with the county clerk who ascertains the rate required to raise the amounts, and if necessary is required to scale the rate down to keep the aggregate of all tax levies within the legal limit of three percent of the assessed valuation, allowing to each taxing district its legal porportion.⁴

1. Rev. Stat. ch.24, par.69.

2. Ibid, ch.24, par.89.

3. People v. Florville, 207 Ill. 79.

4. The method of scaling as prescribed by the Juul law is as follows: the total is found of the rates necessary to give the certified sum; the amount over five percent is used as a numerator and the total percent as a denominator, each item being reduced in this porportion. Professor C. E. Merriam in his "Report on the Municipal Revenues of Chicago", (City Club of Chicago, Pub. No.2, page 86,) gives this example: "the West Town demands for tax levy (state, school building and special sanitary district excepted) aggregated in 1903, \$7.55 per \$100. These special rates were then scaled down 255-500, and the total thus reduced to five perecnt."

Until 1909 the total tax rate was limited to five percent of one-fifth of the cash value of the taxable property. An amendment of that year raised the basis of assessment to one-third of the cash value, and made three percent cent the ordinary taxation limit.¹ This statute does not affect the real tax rate, but raises the debt limit sixty percent.

The taxes which cities may levy unrestricted by referendum are these:

For general purposes,	1.2%
Interest and sinking funds,	"a sum sufficient"
Educational purposes,	.9%
School buildings,	.9%
Public libraries,	.072%
Parks,	.12%
Cyclone tax,	.3%

The taxes for interest and sinking funds are limited by the constitutional provision that the total debt shall not exceed five percent of the assessed valuation. Taxes for such purposes, however, furnish a means for evading the statutory limitation on taxes for general purposes to 1.2% of the assessed valuation. Frequently cities incur permanent indebtedness for current expenses, and retire the bonds out of other than taxes for general purposes. At least 3.87% of the municipal debt is of this nature.² An

1. Laws of 1909, p. 308.

2. See p.

interest and sinking fund tax is also permitted to pay such school debt as was contracted before the passage of the general school act of 1889. In cities of over 100,000 population the library tax is limited to .036% of the assessed valuation; and in all cities of under 1500 population the library tax is included in the 1.2% tax for general purposes.¹

The tax of .12% for the establishment and maintenance of parks applies to cities having a population of less than 50,000,² a restriction which excludes the cities of Chicago and Peoria. Within these two cities park taxes are levied by the park districts, which are distinct taxing areas erected without particular reference to municipal boundaries. Such special districts, which may also be created in smaller cities than those mentioned, are of three kinds,- sanitary, park, and pleasure drive districts. They are formed by a popular vote called after a petition to the county clerk, the voting being within the boundaries specified, for or against the proposition.

The powers of the commissioners controlling such areas have been changed frequently; and the confusion thus created has been added to by the Juul law of 1898 which consolidates all of the tax levies within a city. The combined tax must not exceed the legal limit, which sometimes requires that the tax for one

1. Rev. Stat. ch.81, par.1.

2. Ibid. ch.105, par.290

district shall be scaled considerably below its maximum limit in order that the aggregate tax for all purposes fall within the total limit.

The taxation of property is the natural result of the theory that all persons should be taxed according to their ability to pay, in as much as ownership of property and particularly of real estate, in communities which have not reached a high industrial development, is the most concrete expression of ability to pay and of the measure of benefit received from governmental activities. The situs of real property is permanent, and it is therefore possible to tax such property when owned by non-residents, in the same manner as that of residents.

Unoccupied tracts held for increment in value may present a special problem. In some jurisdictions agricultural and unimproved property is exempted from taxation in whole or in part, and such exemptions have been sustained except when in contravention of special constitutional provisions.¹ In Illinois no such exemptions are allowed by law, but vacant property in the shape of lands is not an important item in the assessed valuations except in a few cities. In East St. Louis such property stands in the ratio of

1. Connecticut, Indiana, Iowa, Maryland, Michigan, (with exceptions), Ohio, South Carolina and Tennessee.

one to three when compared with the assessment of city lots; in several municipalities the ratio is one to ten, but in the majority it is less than this. The assessment for lands and lots is represented in table 2.

The general rule for the taxation of personal property in Illinois provides for its assessment at the domicile of the owner; but some classes of ~~tangible~~ personalty are taxed in situs, and goods in transitu are assessed upon the owner at the place where the shipment originated. Intangible property is also subject to taxation, but credits may be offset by certain debts; and while franchise values are taxable no method of assessment is prescribed. Illinois corporations, except mercantile and manufacturing, are assessed by the state upon the value of their capital stock, less the assessed value of tangible property made by local assessors. Capital stock not assessed by the State Board of Equalization must be listed as personal property. Aside from the tax upon the capital stock of railroads incorporated within the state, railroads must pay taxes upon their personal and real property, assessed principally by the State Board of Equalization, the valuation being apportioned to the counties to a large extent in proportion to mileage. The value of side tracks and railroad buildings is returned wholly to the district within which they are located; and personal property other than rolling stock is locally assessed.

Exemptions from taxation in Illinois are less than in most

states; the constitution authorizes the exemption of real and personal property, and such property as may be used exclusively for agricultural and horticultural societies, schools, religious organizations, cemeteries, and for charitable purposes, when the exemption is made by general law.¹ By statute the legislature has provided for these exemptions and also established some more specific exemptions as follows,- school lands, not leased; fire apparatus; public markets; all state property; and property used by mechanical and philosophical societies with ut profit.² A law exempting fraternal insurance funds was held unconstitutional,³ as were other acts attempting to exempt other classes of property not embraced in the constitutional provisions.

For the assessment of taxes there is elected an assessor in each town except in those counties not under township government, in which instances the county treasurer acts as assessor, and deputies are appointed by the County Board. In the Spring a valuation is made of the property within each taxing district, the schedule of personal property being required to be filled out by the owner. Once in four years real property must be viewed for assessment. The result both as to real and personal values is

1. Const. Art. 9, par. 3.

2. Rev. Stat. ch. 120, par. 2.

3. Modern American Fraternal Order v. Board of Review,
223 Ill. 54

1. Chad, 1971, 1972
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135. Chad, 2239, 2240
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137. Chad, 2243, 2244
138. Chad, 2245, 2246
139. Chad, 2247, 2248
140. Chad, 2249, 2250
141. Chad, 2251, 2252
142. Chad, 2253, 2254
143. Chad, 2255, 2256
144. Chad, 2257, 2258
145. Chad, 2259, 2260
146. Chad, 2261, 2262
147. Chad, 2263, 2264
148. Chad, 2265, 2266
149. Chad, 2267, 2268
150. Chad, 2269, 2270
151. Chad, 2271, 2272
152. Chad, 2273, 2274
153. Chad, 2275, 2276
154. Chad, 2277, 2278
155. Chad, 2279, 2280
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158. Chad, 2285, 2286
159. Chad, 2287, 2288
160. Chad, 2289, 2290
161. Chad, 2291, 2292
162. Chad, 2293,

certified to the county clerk, who corrects all apparent errors. The county board reviews assessments upon request of the owner; hears complaints of over valuation; and may correct any inequality among townships, provided the grand total is not diminished. The assessments are then certified to the state auditor who transmits them to be passed on by the State Board of Equalization. This board may equalize total valuations among counties by raising or reducing the local assessments not more than ten percent. The final results are certified back to the county clerks, who estimate and spread the taxes.¹ on the tax collectors books.

In counties under township government, the county treasurer is ex Officio county collector, and receives from the town collector state and county taxes; and also collects delinquent city taxes and special assessments. In counties not under township government all taxes are paid to the county treasurers. Taxes are due the first of January; personal property taxes must be paid by March first; and all real property taxes become delinquent June first. In cases of unpaid taxes, after certain notice and advertisement, application is made to the county court for judgment. Upon judgment being given (upon which an appeal may be taken to the Supreme Court if bond for costs is given), the property or a necessary portion of it is advertised for sale. The property is

1. Laws of 1907, p. 500

then sold at auction to the person bidding the delinquent taxes plus the least percent thereon for penalty. Property sold for taxes may be redeemed at the office of the county clerk within two years, upon payment of the delinquent tax, subsequent taxes and assessments, and the penalty, this last being graduated from that bid to four times that sum during the last ~~12~~ months of grace.¹

The foregoing is a brief outline of the system of taxation as applied to municipalities in Illinois and may make clearer a review of the workings of the property tax.²

In tables 32 and 33 is a statement of the amount of property tax received by each of the twenty-four cities in Illinois for which data was secured, and the relation of such sums to the total amount of income for the year 1909. These ratios are repeated in table 1, and with them the ratios of taxes to the total city incomes from which all commercial revenues have been subtracted, except in those instances in which the industries are conducted at a profit. In such cases, of which there are three,³ the net profit from such enterprises is included in the total income. The

1. Rev. Stat. ch.120, par.182-210.

2. A more complete outline will be found in A Report on the Taxation and Revenue System of Illinois, prepared for the Special Tax Commission of Illinois by John A. Fairlie. A compilation of Tax Laws and Judicial Decisions accompanies the report.

3. See p. 102.

city which receives the smallest share of its revenue from property taxes is Joliet, with 40.1%; Streator stands next with 51.25%; while the maximum percentage received is 97.6% in Urbana. The average is 68.1%. For matters of comparison we may separate the cities receiving saloon licenses from those which do not. In the seven no-license cities¹ the average percent of the total revenue received from property taxation is 86.2%; the average for the remaining cities is 60.5%.

Perhaps a more interesting comparison of the taxes received by cities for general purposes, would be on a per capita basis. Such a relationship is inaccurate in that population is not a direct creator of taxes. Population does, however, have a direct bearing upon the cost of government, and a reference to the per capita taxation is justified upon this ground, if upon no other. The minimum per capita general tax is found in Streator, the amount being \$2.17 per person. The next lowest is \$3.02 in Belleville; while the highest rate is \$7.19 in East St. Louis. By this method of comparison the "dry" cities do not present so unfavorable a showing in the matter of taxes, the average rate for the seven cities being \$4.59. The average for the remaining cities is \$4.31,- not a considerable difference.

1. Champaign, Decatur, Evanston, Galesburg, Jacksonville, Rockford and Urbana.

The third and more frequent method of judging city finances is by a comparison of the tax rates. In table 1 is shown the general rate for each city per \$100 of assessment (including administrative, library, sanitary, park, bond and interest taxes); the complete school rate; and the total rate. The highest rate for general purposes is in Quincy, \$2.37. LaSalle follows with \$2.15; while the smallest is \$1.25 in the "dry" city of Rockford. While the cities having no saloons stood highest in the average per capita tax, with the exception of Urbana their tax rates are normal. This lack of relation between the tax rate and the per capita tax income, coupled with the fact that cities in which a high tax rate should be anticipated have quite the contrary, may be due to one or both of two causes: considerable differences in the basis of local assessments, or differences in the per capita wealth in different cities.

It is quite possible that variable standards of real property assessment prevail in different cities, but these cannot be discovered without a more intensive investigation than has been possible in this study. It is more probable that there is a difference in the extent of personal property assessments¹, which may be revealed by comparing the assessments of the several municipalities.

1. Fairlie, supra cit, p. 41.

The following is a summary of the results of the investigation conducted by the Department of the Interior, Bureau of Land Management, in the year 1907, in relation to the lands of the State of California, which are owned by the United States.

It is found that the total area of land owned by the United States in California is 1,100,000 acres, of which 1,000,000 acres are in the form of public lands, and 100,000 acres are in the form of private lands.

The public lands are divided into three classes, to-wit: (1) lands reserved for the use of the United States, (2) lands reserved for the use of the State of California, and (3) lands reserved for the use of the people of California.

The lands reserved for the use of the United States are 600,000 acres, of which 400,000 acres are in the form of public lands, and 200,000 acres are in the form of private lands.

The lands reserved for the use of the State of California are 400,000 acres, of which 200,000 acres are in the form of public lands, and 200,000 acres are in the form of private lands.

The lands reserved for the use of the people of California are 100,000 acres, of which 50,000 acres are in the form of public lands, and 50,000 acres are in the form of private lands.

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The lands reserved for the use of the people of California are 100,000 acres, of which 50,000 acres are in the form of public lands, and 50,000 acres are in the form of private lands.

Relation of Property Taxes to Total Income; Tax Rates and
Per Capita Tax Income in Twenty-four Illinois Cities in 1909.

	percent of total	percap. tax	general city rate	school rate	total rate	Assessed Valuation		
						percap. real	percap. personal	total Per Capita
Alton	57.8	\$3.52	1.42	2.00 1.51	3.42	\$160	\$86	\$246
Aurora	70.0	4.80	1.70	1.45	3.21	208	75	283
Belleville	54.7	3.02	1.60	1.85	3.45	128	42	170
Bloomington	61.5	4.21	1.53	1.72	3.25	239	78	317
Champaign	92.0	3.88	1.34	1.92	3.26	216	86	302
Danville	56.0	3.67	1.46	1.20	2.66	181	91	272
Decatur	83.7	4.02	1.67	2.76	4.43	166	72	238
E. St. Louis	71.0	7.19	1.48	1.90	3.38	168	28	196
Elgin	71.4	4.29	1.33	1.90	3.23	200	124	324
Evanston	65.1	5.37	-	-	-	-	-	-
Freeport	62.2	3.80	1.49	1.95	3.44	-	-	-
Galesburg	91.8	5.36	1.57	1.69	3.26	208	69	277
Jacksonville	85.8	3.76	1.40	2.00	3.40	192	77	269
Joliet	40.1	2.74	1.40	1.85	3.25	154	47	201
LaSalle	52.3	3.97	2.15	1.80	3.95	141	47	188
Moline	61.0	4.44	1.93	2.42	4.35	154	81	235
Ottawa	55.7	4.10	1.95	2.00	3.95	132	84	216
Peoria	65.5	5.10	1.78	1.87	3.65	222	67	289
Quincy	70.0	6.50	2.37	1.42	3.79	117	49	166
Rockford	87.7	4.74	1.25	1.07	2.32	260	130	390
Rock Island	64.5	4.10	1.85	1.93	3.26	172	53	225
Springfield	64.0	5.75	1.81	1.73	3.54	233	82	315
Streator	51.3	2.17	1.30	2.10	3.40	122	46	168
Urbana	97.6	5.06	2.03	2.61	4.64	204	51	255

Assessed Valuation by Classes of Property and Total Assessment in Twenty-four Illinois Cities for the year 1909.

	Total	Real	Personal	Hotel	Railroad	Tel. & Fire	Personal
Alton	\$4,250,096	\$2,769,370	none	2,466,100	303,270	33,536	1,477,190
Aurora	8,444,493	6,210,925	130,407	5,550,053	530,465		2,233,568
Belleville	4,417,330	3,321,186	150,391	2,968,705	188,790	13,300	1,096,144
Bloomington	8,253,004	6,220,595	693,442	5,125,067	402,036	20,064	2,017,345
Champaign	3,628,052	2,685,068	41,785	2,466,493	56,790	12,000	1,062,984
Danville	8,599,368	5,060,279	543,990	4,475,843	540,446		2,539,089
Decatur	7,481,484	5,240,184	250,431	4,759,225	229,868	34,114	2,207,186
E. St. Louis	13,007,090	11,438,106	2,292,148	6,848,503	1,903,732	391,723	1,570,974
Elgin	8,434,961	5,226,127	93,026	4,948,672	117,136		3,236,127
Evanston							
Freeport							
Galesburg	6,391,179	4,789,480	203,070	4,477,156	468,254	22,935	1,580,764
Jacksonville	4,133,865	2,943,522	51,466	2,729,380	162,676	21,208	1,169,135
Joliet	7,044,265	5,385,956	none	5,071,718	314,238		1,658,309
LaSalle	1,874,406	1,403,555	90,200	1,230,122	83,233		470,851
Moline	5,702,067	3,737,721	336,478	3,085,511	315,732		1,964,346
Ottawa	2,385,836	1,453,332	30,445	1,313,031	109,846		932,514
Peoria	19,568,578	14,992,937	215,600	13,920,315	867,022		4,515,641
Quincy	6,102,393	4,287,629			239,992		1,814,764
Rockford	17,094,294	11,790,526	1,067,481	10,109,779	550,798	62,568	5,303,668
Rock Island	5,845,494	4,469,492	160,658	4,017,844	290,990		1,396,002
Springfield	16,227,255	12,054,490	none	11,551,606	502,884		4,172,765
Streator	2,652,072	1,922,533	10,767	1,649,470	262,295		329,539
Urbana	2,082,648	1,673,604	13,853	1,528,213	124,898	6000	415,684

Table 2 is an exhibit of the property assessment of the cities under consideration, showing the assessments by the several classes under which they are returned. In table 3 is the ratio of the real and personal assessment to the total assessment in each city, as compared with the ratios in the counties in which the cities are located;¹ as well as the ratio of personal property to the assessed value of city lots. That these ratios would have a considerable range would be anticipated, since sections of the state vary widely in the amount and nature of their wealth. That this variation is greatest in cities is apparent. Of the assessed valuation in counties, the porportion of personal property is least in Champaign county, being 16.82% of the total; the greatest in Kane county, where it constitutes 27.87% of the total assessment. Thus the variation has a range of 11.05% of the whole. The least porportion of personal property in cities is in East St. Louis, 13.5%; while the largest porportion, 38%, is in Elgin. The variation is 24.5% of the whole, or double the variation as between counties. Large manufacturing or railroad properties would tend to increase the real property ratio, but cannot account for the entire difference. That the method of assessing personal property is to a large extent responsible for the wide variations

1. Biennial Report of the Illinois Auditor of Public Accounts, (1908) p. 154.

Relation of the Assessments of Real and Personal Property to the Total Assessment in both City and County, and the Relation of City Personalty Assessment to City Lots in 1909.

		County (1907)		City		Personal to lots only	
		Real	Personal	Real	Personal	Real	Personal
Alton	Madison	73.44%	26.56%	65.2%	34.8%	62.2%	37.8%
Aurora	Kane	72.13	27.87	73.8	26.2	71.5	28.5
Belleville	St. Clair	80.30	19.70	75.2	24.8	73.0	27.0
Bloomington	McLean	80.12	19.88	75.3	24.7	71.5	28.5
Champaign	Champaign	83.18	16.82	71.1	28.9	69.6	30.4
Danville	Vermilion	79.90	20.10	65.3	34.7	66.1	33.9
Decatur	Macon	80.94	19.06	70.0	30.0	68.0	32.0
E. St. Louis	St. Clair	80.30	19.70	86.5	13.5	77.6	22.4
Elgin	Kane	72.13	27.87	62.0	38.0	60.5	39.5
Evanston	Cook	77.20	22.80				
Freeport	Stephenson	76.14	23.86				
Galesburg	Knox	76.50	23.50	75.0	25.0	72.0	28.0
Jacksonville	Morgan	79.44	20.56	71.5	28.5	69.7	30.3
Joliet	Will	81.00	19.00	76.5	24.5	75.8	24.2
LaSalle	LaSalle	82.56	17.44	75.0	25.0	71.5	28.5
Moline	Rock Island	78.07	21.93	65.5	34.5	61.2	28.8
Ottawa	LaSalle	82.56	17.44	61.0	39.0	58.5	41.5
Peoria	Peoria	80.44	19.56	76.9	23.1	75.7	24.3
Quincy	Adams	72.20	27.80	70.2	29.8		
Rockford	Winnebago	74.94	25.06	69.0	31.0	65.4	34.6
Rock Island	Rock Island	78.07	21.93	76.5	23.5	74.6	25.4
Springfield	Sangamon	80.63	19.37	74.0	26.0	69.0	31.0
Streator	LaSalle	82.56	17.44	72.6	27.4	77.9	22.1
Urbana	Champaign	83.18	16.82	80.3	19.7	78.4	21.6

may be shown by comparing two cities of as homogeneous a character as Champaign and Urbana, which are also contiguous. In the former personal property constitutes 28.9% of the whole assessment, while in the latter it is only 19.7%. Similarly, the Rock Island assessment has 23.5% in personalty, while ⁱⁿ the adjacent city of Moline 34.5% of the property is personal. Elgin and Aurora are cities of similar size and nature, in the same county; personal property amounts to 38% of the total assessment in one, and to only 26.2% in the other.

In order to eliminate any bias which might occur by including vacant lands and railroads in the real property assessment, the personal property of each city has also been compared with the assessed value of city lots. It was, however, impossible to separate telegraph and telephone values from the personalty, as was desirable for this comparison. By this method, Ottawa developed the largest porportion of personal property, it being 41.5% of the total; Urbana had least at 21.6%. The range of variation was 19.9%, or several percent less than when compared with the total real property.

The variation in assessment is further emphasised by a review of the percapita assessments of real and personal property in each city. In four cities in which the real property assessment ranges only from \$200 to \$208 per person, the assessment of personal property varies from \$51 to \$124 per person; and in six cities

in which the real property assessment varies from \$160 to \$200 per capita, the personalty assessment varies from \$28 to \$91.

From these figures, the fallacy of accepting the city tax rate as testimony of cost of administration is manifest. Rockford has the lowest tax rate for general purposes of these cities considered, yet has a percapita assessment almost double the average for the state. Quincy with the highest tax rate for general purposes is among those having the smallest per capita assessment.

Tho the amount of personal property varies in each community, the facts at hand would indicate that a number of cities are collecting taxes on much less than the actual amount of personal property within their jurisdictions. Under such conditions the increase of city revenues may be secured by action of the township assessor and the county board of supervisors.

Another cause of inconsiderable loss to cities is that of interest on delinquent taxes. In another place¹ note is made of the interest which municipalities are required to pay upon the funds which they borrow and the period of such loans. The average term of municipal loans made in anticipation of taxes is about five months, or only a little longer than is allowed for the collection of taxes. The township collector turns over his books on the

1. See p. 133

It is the duty of the Government to protect the rights of its citizens and to maintain the peace and order of the country. The Government is responsible for the welfare of its people and for the security of its borders. It is the duty of the Government to provide for the needs of its citizens and to protect them from harm. The Government is responsible for the education of its citizens and for the advancement of the country. It is the duty of the Government to maintain the law and to enforce the rules of the country. The Government is responsible for the defense of the country and for the protection of its citizens from foreign enemies. It is the duty of the Government to provide for the health and safety of its citizens and to protect them from disease and disaster. The Government is responsible for the economy of the country and for the well-being of its people. It is the duty of the Government to maintain the integrity of the country and to protect its interests. The Government is responsible for the future of the country and for the happiness of its people. It is the duty of the Government to provide for the needs of the future and to protect the rights of the generations to come. The Government is responsible for the peace and order of the world and for the welfare of all its people. It is the duty of the Government to maintain the law and to enforce the rules of the world. The Government is responsible for the defense of the world and for the protection of its citizens from foreign enemies. It is the duty of the Government to provide for the health and safety of the world and to protect it from disease and disaster. The Government is responsible for the economy of the world and for the well-being of all its people. It is the duty of the Government to maintain the integrity of the world and to protect its interests. The Government is responsible for the future of the world and for the happiness of all its people. It is the duty of the Government to provide for the needs of the future and to protect the rights of the generations to come. The Government is responsible for the peace and order of the world and for the welfare of all its people. It is the duty of the Government to maintain the law and to enforce the rules of the world. The Government is responsible for the defense of the world and for the protection of its citizens from foreign enemies. It is the duty of the Government to provide for the health and safety of the world and to protect it from disease and disaster. The Government is responsible for the economy of the world and for the well-being of all its people. It is the duty of the Government to maintain the integrity of the world and to protect its interests. The Government is responsible for the future of the world and for the happiness of all its people. It is the duty of the Government to provide for the needs of the future and to protect the rights of the generations to come.

tenth of March and the collection then passes into the hands of the county treasurer, thus duplicating the collection machinery. An idea of the importance of the county treasurer in the collection of city taxes may be secured from the following exhibit, which shows the amounts received by the several cities during the fiscal year of 1909 from the two collecting agents, and the percentage of the total accredited to each. It has been suggested that one of the agents be eliminated, that the expense of collection may thereby be lessened.¹

Table 4.

Receipts from Town Collectors and County Treasurers.

City.	Town Coll.	Per Cent.	County Coll.	Per Cent.
Evanston	\$ 73,882	53.3	\$ 64,757	46.7
Joliet	61,347	49.6	62,392	50.4
Ottawa	39,390	71.8	15,419	28.2
Peoria	218,022	75.2	71,538	24.8
Rockford	66,320	43.6	131,861	66.4

One of the fixed charges in the collection of taxes is the percentage going to the collector for remuneration; and to this might be added the fee of the county clerk for extension, and a In addition to the 2% collector's fee, in Freeport the reserve for

1. Fairlie, supra cit. p. 17.

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Table A.

Results of the ...

Year	1900	1901	1902	1903	1904
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.....The loss thru unpaid taxes and cost of collection of delinquent taxes was 1.1% of the total levy, or a total of 3.1%. Evanston in addition to the collector's charges paid the county treasurer .032% of the total for the extension of the levy, and .92% of his collections as a commission. Or based upon the amount levied, 1.46% was deducted for the cost of collection: .032% for clerk's fees: and 4.78% was uncollectable, making the theoretical net income to the city 93.728% of the levy. Of the losses the largest item of 4.78% was diminished a fraction of a percent by the payment of back taxes. Thru back taxes and the extension of the levy specified in the ordinance, the city received 94.5% of the sum requested. The same city realized 93.4% of the library taxes levied, 4.18% of the loss being uncollectable taxes. The amount of back taxes received was only .01375% of the total.

Thus far no reference has been made to the Road and Bridge tax which by the law of 1883¹ may be assessed in each township. Under this provision one-half of such receipts are returned to the cities in the township for the building and repair of roads. By an act of 1909² the statute was changed so that the city was to receive all such taxes levied within its boundaries, which was deemed a more equitable distribution. There has been, however, some question as to the legality of the change. In Danville the city was not allowed to come into possession of the funds; and

1. Rev. Stat. Ch 121 par. 16.

2. Sup.Cit.

The first part of the paper is devoted to a general discussion of the problem. It is shown that the problem is of great importance in the theory of the structure of the atom. The second part is devoted to a detailed discussion of the problem. It is shown that the problem is of great importance in the theory of the structure of the atom.

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The fifth part of the paper is devoted to a detailed discussion of the problem. It is shown that the problem is of great importance in the theory of the structure of the atom. The sixth part is devoted to a detailed discussion of the problem. It is shown that the problem is of great importance in the theory of the structure of the atom.

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The ninth part of the paper is devoted to a detailed discussion of the problem. It is shown that the problem is of great importance in the theory of the structure of the atom. The tenth part is devoted to a detailed discussion of the problem. It is shown that the problem is of great importance in the theory of the structure of the atom.

9

Cities may also require that all able bodied citizens between the ages of twenty-one and fifty labor two days each year upon the streets. This service may be commuted at \$.75 per day. None of the cities studied exercised this right.¹⁻

1. Rev. Stat. Ch.24, par. 289.

During the last few years the
system of taxation has been
very much improved. The
taxes are now levied on the
value of the property.

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Rockford is being sued by the township highway commissioners for \$60000, which was recieved by the city. In Table 30 is a statement of the shares of the Road and Bridge tax which came to the cities in 1909. Owing to the present legal situation, any comment would be ^{unnecessary.} ~~superfluous.~~

See next page.

LICENSES.

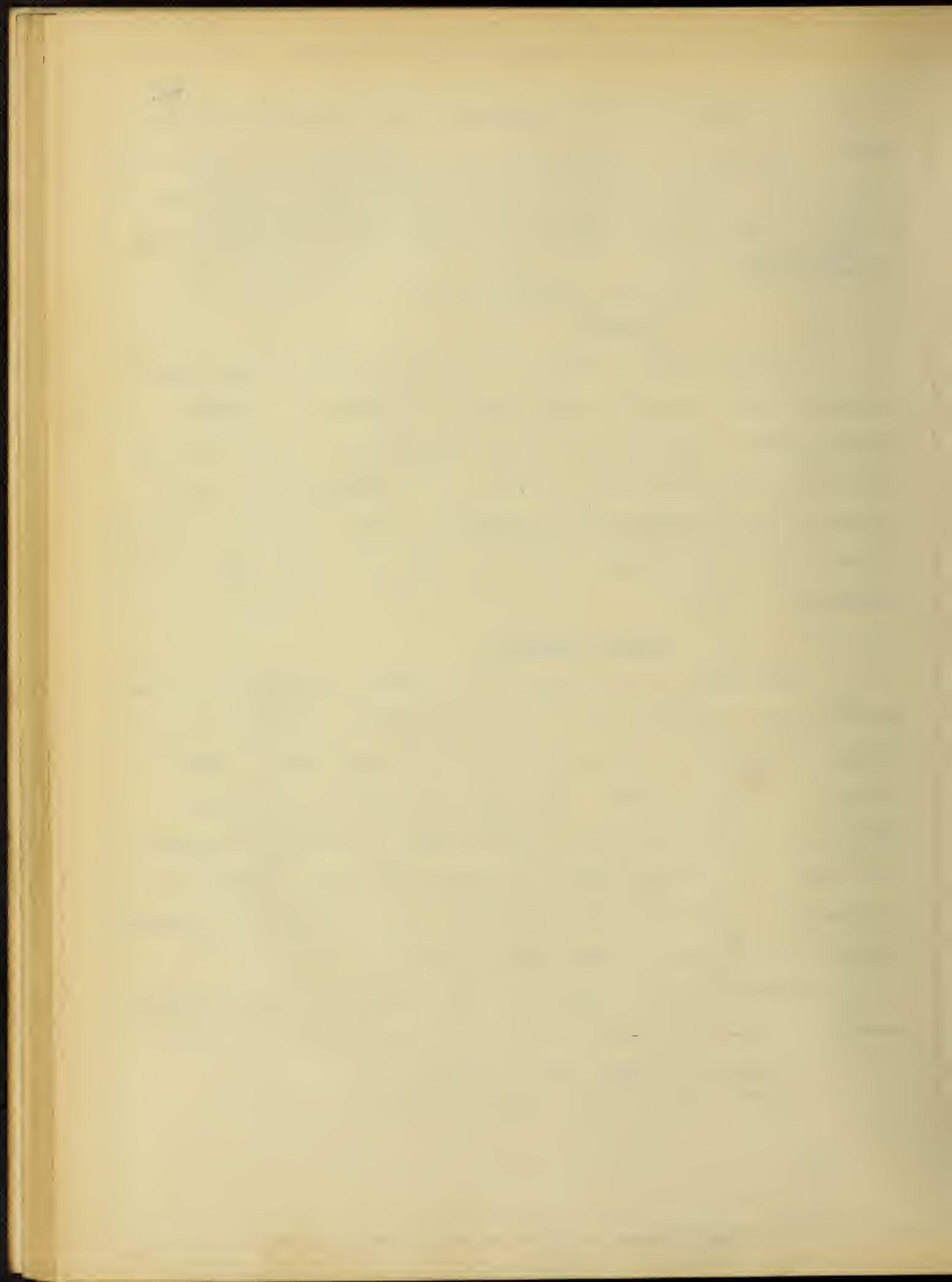
Legally license charges are of two classes,- those upon occupations and industries which may be prohibited, and upon those industries which permit only of regulation. A more practical division is upon the basis of return to the municipality, liquor licenses being placed first, followed by general licenses, business licenses and the wheel tax. It is in this order that they will be discussed.

Liquor Licenses.

The power of the legislature to tax the traffic in intoxicating liquors is enumerated in the constitution of the state¹ and was delegated to municipalities by the General act of 1872,² giving to the city councils the right to regulate, license and prohibit the selling of malt, vinous, mixed or fermented liquors, any license not to extend beyoin the municipal year in which it was granted. It is further provided that cities must, in licens~~ing~~^{ing}, conform with the general state laws in force.

There are now a number of state statutes, providing among

1. Const. of 1870. Art. 9 par. 1.
2. Rev. Stat. Ch 24. Par 62, item 46.

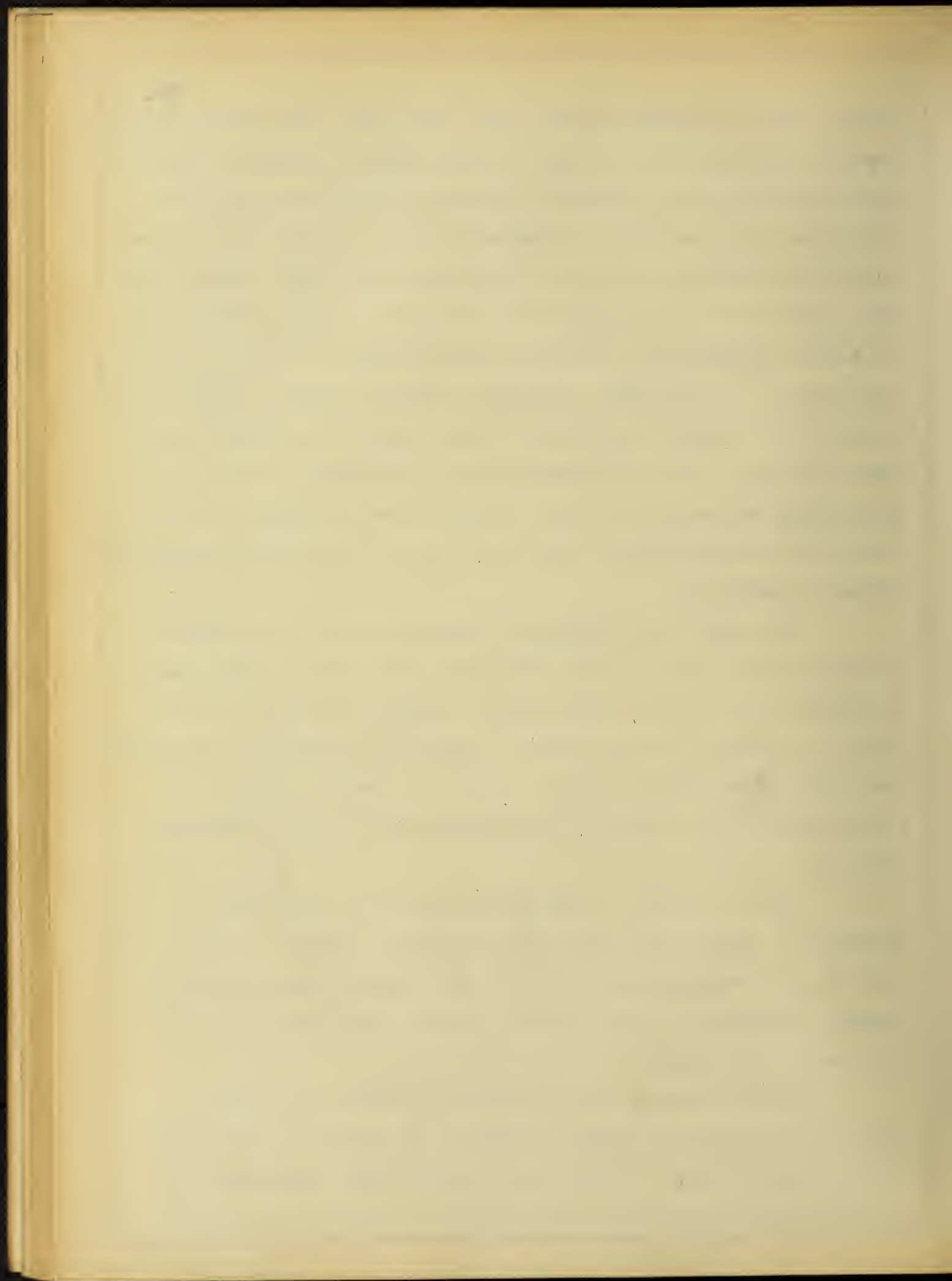


things, that the minimum license for a shop where the aforementioned liquors are sold at retail shall be five hundred dollars per year, which sum should be collected in advance for such periods as the city council may designate. Licenses for the sale of malt liquors may not be granted for less than one hundred and fifty dollars per year. There are no state laws concerning the wholesale trade, and the matter of requiring a license from wholesalers is left to the descretion of the municipal councils. Where a license is required, the penalty for operating without it is a fine of from fifty to one hundred dollars, and the possession of a government permit is prima facie evidence of the sale. Any license is subject to revocation for maintaining more than one shop, or permitting disorderly conduct or gambling.

The holder of a dramshop license must take out a three thousand dollar bond to cover any damages which may be sustained by reason of his selling intoxicating liquors; and he may be required to support a person kept in a state of continual intoxication. The rights of an injured person, his heir or employer may be enforced against the owner of the building in which the offending saloon is located.

Certain matters of regulation are left to the local authorities, among which are eligibility for a license, final cost of the license, distribution of the license money, periods of payment, limitation of the license district and restriction of the number of saloons.

Table 33 giving the percentage of total city income received from liquor licenses, ranging (in license cities) from 16% in Elgin to 28% in Danville, shows the large importance of such revenues to municipalities. However, tho it will generally



be admitted that the presence of saloons is not an unmitigated benefit tho city revenue systems have been erected with consideration of large incomes from this source. The problem of saloon licensing is thus one of securing the maximum revenue with the least harmful results.¹

Table 5 gives the number of saloons in each city, population per saloon, license rate, license income per inhabitant, periods of license payment, restrictions upon the saloon district, and upon the number of saloons. It is usually accepted as true that a high license rate reduces the number of saloons and increases the amount of revenue. This is a reasonable proposition but cannot be proved by a comparison of the percapita license income in high and low license cities. The fact that a city has a high license is an indication that its population is of a kind not given to the large support of saloons, and hence the number is automatically limited. Further six of the seven cities which charge more than \$500 for a license place an arbitrary restriction upon the number of licenses issued.

Ten of eighteen cities place a restriction upon the number of licenses issued, eight of these being upon the basis of population. In most cases, however, the number of saloons exceeds the number the restriction would normally allow, and there must be a large increase in population before there can be an increase in dramshops. In the case of Elgin and Decatur, an arbitrary minimum of saloons was fixed, any increase to be by increase in population.

1. For the influence of saloons on the number of police see p. 61

Number of Saloons, Population per Saloon, License Rate,
and Other Matters Relative to Saloons for the Year 1909.

	No. of Saloons	Pop. per Saloon	License Rate	Income per Inhabitant	Period of Paymt.	Restriction on District	Restriction on Number
Alton	68	257	\$500	\$1.72	Annual	"Usual"	None
Aurora	42	710	1000	1.43	Semi-ann.	Fire limits	1000 pop.
Belleville	113	230	500	2.14		None	None
Bloomington	76	342	600	1.84	Quarterly	None	None
Danville	76	367	800	2.38	Quart.	Bus. Section.	500 pop.
Decatur ¹	48	648	1000	1.54	Semi-ann.	Bus. Sec.	
E. St. Louis	343	200	500	2.28	Quart.	Discretion of mayor.	None (33 per
Elgin	34	764	1000	1.34	Semi-ann.	Fire Limits	1000 pop. 1 per 1000
Freeport	46	381	500	1.30		Bus. Sec.	None
Joliet	136	256	1000	3.89		"Usual"	500 pop.
LaSalle	57	175	500	3.34	Annual	5	250 pop.
Moline	63	384	1002	2.62	Semi-ann.	None	500 pop.
Ottawa	49	223	500	2.29	Quart.	None	49 Saloons
Peoria	300	223	600	2.05	Quart.	None	400 pop.
Quincy	145	250	500	2.10			
Rockford ¹	50	902	1000	1.14	Semi-ann.	Bus. Sec.	1000 pop.
Rock Island	96	282	500 ²	1.84	Semi-ann.	None	None
Springfield	200	255	500	2.10	Annual	"Usual"	None
Streator	65	241	500	2.07	Quart.		66 Saloons

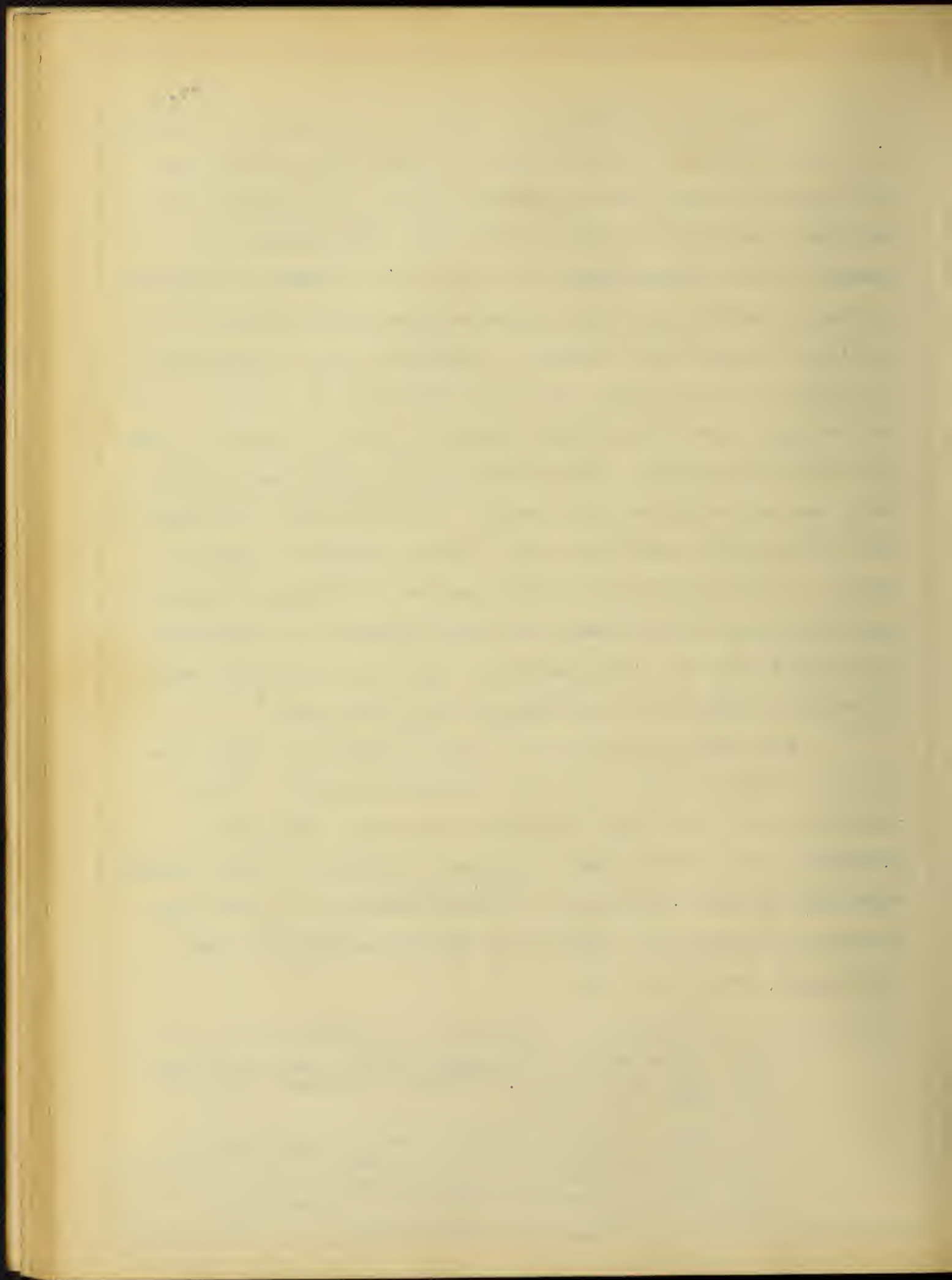
1. Figures for 1910; "dry" during period studied.
2. Now \$600.
3. Bond given for last installment.
4. Limit will become operative only when population increases.
5. No saloons in residence district except those already there.

In each instance of restriction of number, the licenses now issued immediately assume a monopoly value; and since the municipality has limited its own income incidental to this, it appears reasonable that such increment should come to the city treasury. An example of loss accompanying the limiting of the number of saloons is that of LaSalle, where the number was decreased from 66 to 57, involving a direct loss of \$4500. A similar loss is experienced in Rockford which actually restricts the number of licenses to one for each 900 inhabitants; while Decatur, a city of a similar class of citizens and similar attitude toward the liquor question, supports one saloon for each 650 people.¹ On this basis the former city is losing by restriction the license revenue of twenty saloons, or twenty thousand dollars. As the saloons now licensed, are transacting the business which might be done by twenty more, they should bear the loss incurred by the City. This would raise² the saloon license rate in Rockford to \$1400 per year.

More than one-half of the cities limit the license district to the fire limits or to the business district. In the others the only check upon location is the usual legislative provision concerning frontage signatures. Saloons in the residence districts naturally increase the license revenues, but have many objectional features in addition to that of requiring a direct increase in the police force.

1. Both cities went "no license" in 1908; have since gone gone "wet" and enacted stringent ordinances regulating the traffic in liquor.

2. Similarly an equitable license rate in Elgin would be \$1175; and in Aurora, \$1100. In a majority of cities considered, there are less than 300 persons per saloon. Therefore each city should increase its license rate with the population, taking into consideration the kind of people.



Of fifteen cities two require that the license money be paid annually; ^{six.} ~~five~~ semi-annually; and the remainder quarterly. Under the present system by which cities do not receive interest upon their funds, there is no object in requiring payment in a lump sum at the beginning of the fiscal year. However, the interest upon the considerable sums of license money would amount to several hundreds of dollars per year, were licenses paid in advance and interest collectable.

It has been mentioned that the state law requires that licenses shall be paid in advance. In Chicago the losses from this source were large, ¹ since dram shops were allowed to neglect payment, and when they went out of business only paid for the time open. In the smaller cities of the state such is not the case. Of nineteen cities, sixteen require that the fee be paid strictly in advance; two (Ottawa and Rock Island) allow from a few days to a week of grace; and one (Springfield) reported that payments were not strictly in advance.

Nor do refunds make any considerable inroads into the sums collected. Five cities reported refunds of saloon licenses, Rockford to the amount of \$478; Rock Island, \$250; and Peoria, \$1083.² This last city refunds only for "an act of God". Springfield refunds for the same reason; Decatur also refunds, but in these two cities refunded amounts were not obtained.

1. Merriam, supra cit. p.115.

2. Includes refund of taxes.

The first part of the paper is devoted to a general
discussion of the problem. It is shown that the
problem is of great importance in the theory of
the differential equations of the second order.
The second part of the paper is devoted to a
detailed study of the problem. It is shown that
the problem is of great importance in the theory
of the differential equations of the second order.
The third part of the paper is devoted to a
detailed study of the problem. It is shown that
the problem is of great importance in the theory
of the differential equations of the second order.
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detailed study of the problem. It is shown that
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of the differential equations of the second order.

General Licenses.

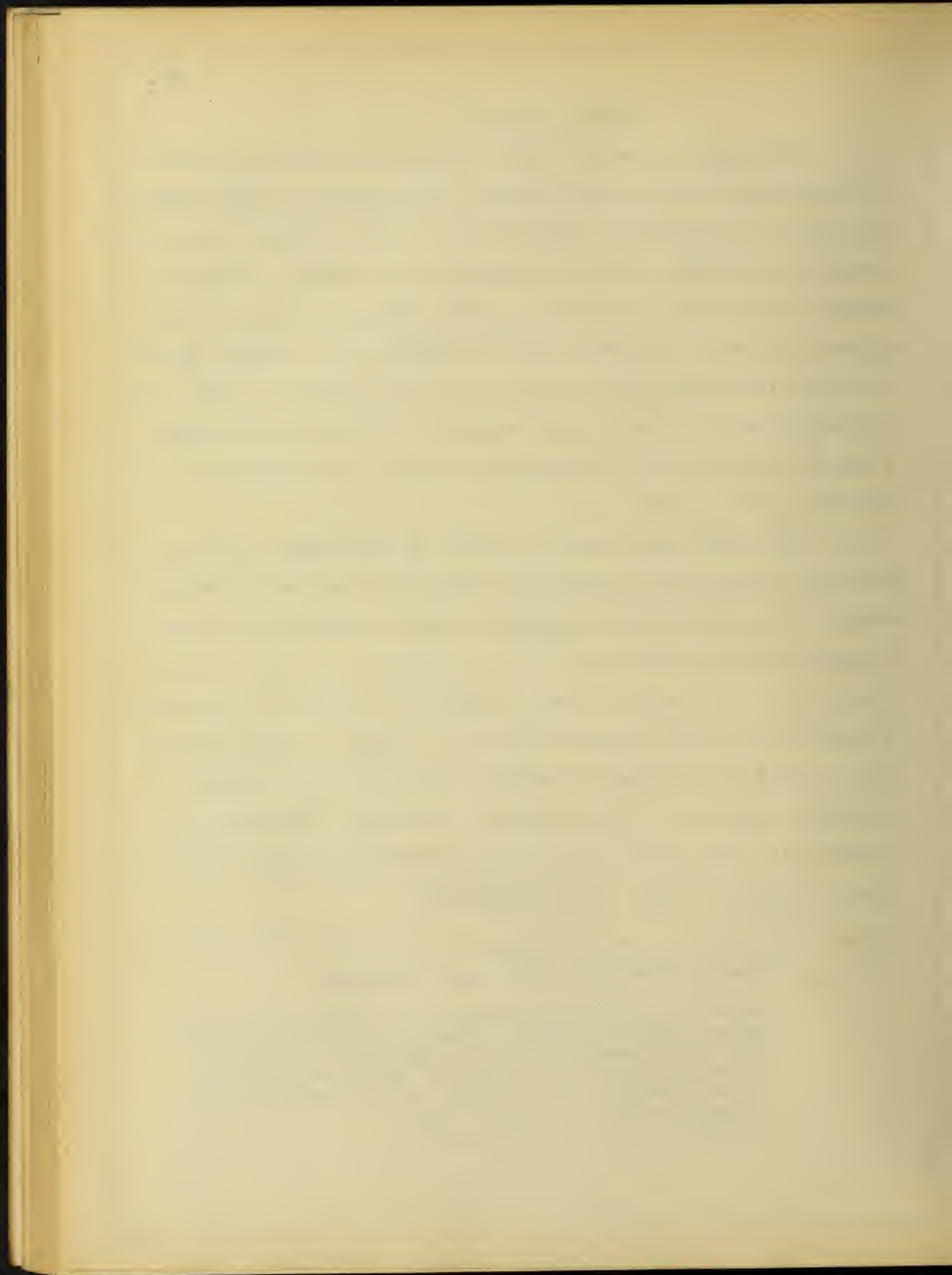
The right to employ other licenses as a source of revenue is one derived from the constitution, the legislature being granted the power to tax peddlers, auctioneers, brokers, hawkers, merchants, commission merchants, show men, jugglers, inn keepers, grocery keepers, toll bridges, ferries, insurance brokers, telegraph and express interests, venders of patent medicines, and persons owning and using franchises and privileges, in such a manner as shall be directed by general law.¹ Such taxation is definitely authorized by law for the purpose of revenue, and hence is not dependent upon uncertain police powers.

The legislature has by a series of acts permitted the municipal licensing of almost every conceivable occupation which partakes of a quasi-public character, employs special privileges,² or demands police supervision. It is impossible to make a true calculation of the value of the privilege for which any occupation is assessed, but such occupations offer a source of easily imposed and collected tax, and here expediency in taxation is paramount to absolute justice. In any event the incidence of ~~license~~ taxes is shifted to some extent, and in all probability works no greater injustice than our other forms of taxation.

1. Const. Ch.24 Par. 162, item 41 et seq.

2. "Altho a constitution grants to a legislature the power to impose certain classes of occupational taxes which are enumerated, it may delegate to municipal bodies the power to impose for municipal purposes, taxes which are not included in the constitutional enumeration."

Wiggins v. Chicago, 68 Ill. 372.



The legislature has granted to cities the right to license,¹ regulate and suppress the following occupations and businesses, warf boats and tugs used about the harbor or within the jurisdiction of the same; hawkers, peddlers, pawnbrokers, keepers of ordinaries, theatrical and other exhibitions, shows and amusements billiard and pool tables; bowling alleys; and transient vendors of merchandise.²

The right to peddle goods is given to ex-union soldiers free of charge upon demand and presentation of proof;³ and every farmer, fruit and vine grower has the right to sell his own produce where such articles are usually sold without a city license, any ordinance to the contrary notwithstanding.⁴ However the streets must not be obstructed nor liquor laws violated. The licensing of houses of prostitution or the medical inspection of the same is expressly forbidden.

1. The courts have held that the legislature may delegate its power to the local authorities by general law.

See *Braun v Chicago*, 110 Ill. 190.

2. Rev. Stat. Ch. 24 par. 60, item 28 et seq.

3. Ibid Ch. 24 Par. 651.

4. Ibid Ch 5, Par. 23.

Municipalities are granted only the right to license and regulate in the following cases, -runners for stages, cars and public houses;¹ wagons and other vehicles conveying loads within the city, or any particular cpass of such wagons and other vehicles, and to prescribe the width of tire for the same,² the license fee when collected to be kept in a separate fund and used only for paying the cost and expense of street and alley improvement and repair;³ hackmen, draymen, omnibus owners, carters, cabmen, porters, expressmen, and all others employed in like occupations, and to prescribe their compensations; second—hand and junk stores, and to⁴ forbid their purchasing and receiving from minors; auctioneers, distillers and brewers; lumberyards, livery stables, public scales, blacksmith shops, foundries, and brokerage shops. Dogs may be taxed and restrained. Elevator operators and plumbers may also be examined and licensed, and an additional license may be imposed upon plumbing establishments.

Foreign insurance companies are required "upon demand to pay into the treasuries of the cities in which they have agents, not more than two percent upon the gross receipts upon the insurance in force within the boundaries of the municipality."⁵

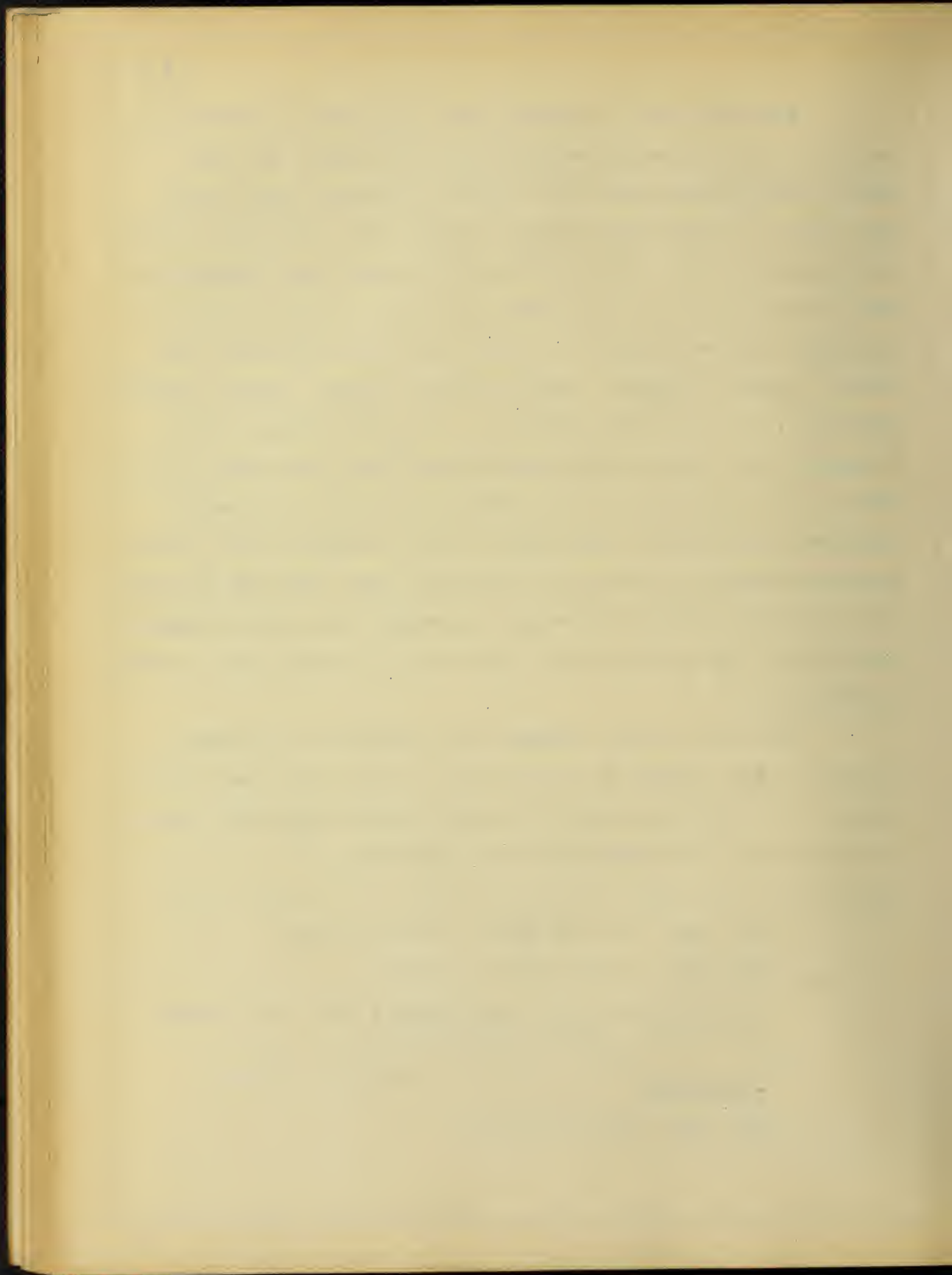
1. Rev. Stat. Ch. 24, par. 60, item 41 et seq.

2. Rev. Stat. Ch. 24, par. 6, item 96.

3. For constitutionality see Harder's Fire Proof Storage and Van Co. v Chicago. 235 Ill 58.

4. Does not include book stores. Eastman v Chicago. 79-Ill-178.

5. Rev. Stat. Ch. 24 Par. 423.



Not all of the license income goes directly into the general treasury of the city collecting it. In municipalities having more than 50,000 inhabitants the firemen's relief fund is the recipient of 2% of the fire insurance tax.¹ Also the police pension fund in such cities is made up in part of three-fourths of the dog tax, 3% of all other city licenses up to \$2500, and the fines from the violation of the police ordinances. In cities of smaller size the police pension fund consists in part of three fourths of the dog tax, 2% of the saloon licenses (upon vote of the citizens) 10% of the city ordinance fines and 10% of all other licenses, the total not to amount to more than \$2500 in a year.²

Table 6 is a statement of the total income from all licenses (except wheel and insurance taxes) of the cities under consideration for the year 1909, of this income classified according to the more important sources; and of the percapita license income except that of liquor. Where the income is not separated into its several sources the information was not available. The division of "other licenses" is composed of scattering miscellaneous licenses and the more important business taxes which are considered later.

The most striking feature of the table is the wide variation in the percapita income from general licenses ranging from as low as four cints in Ottawa to thirty five cents in East St. Louis. The largest of these percapita sums is accounted for by business taxes but the variation in the others is sufficient

1.Rev.Stat. Ch. 24 par 391.

2.Rev. Stat. Ch. 24 par 382 et seq.

Total And Per Capita Income from License Taxes for 1909.

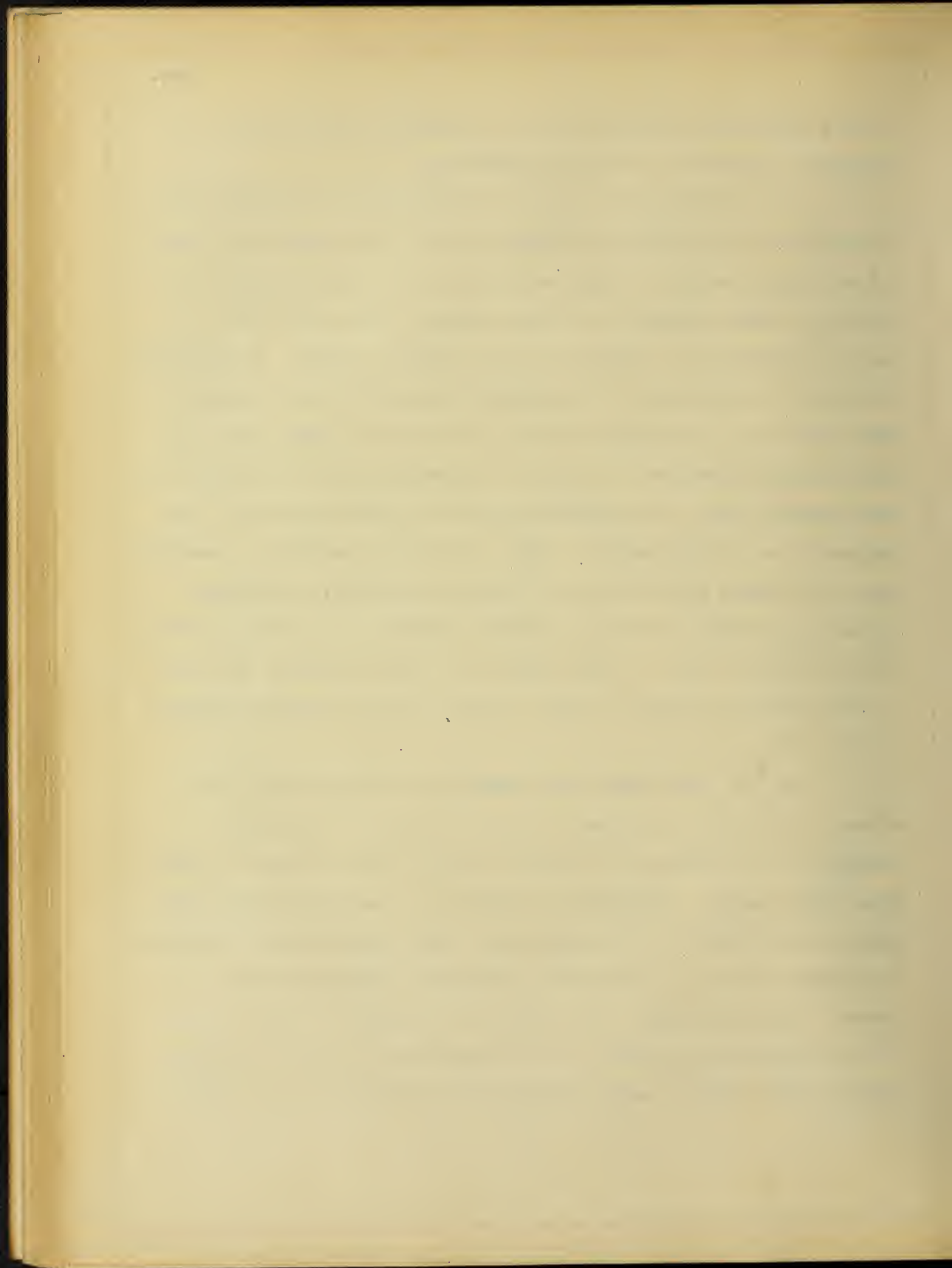
	Total Income	Liquor	Drugs	Theatres	Billboards Pool Etc	Dogs	Peddlers Etc	Draymen Etc	Others	Per Cap Income
Altos	36,173	\$30,684	\$37	\$370	\$265	\$1106	\$75	None	\$3634	\$.31
Aurora	45,974	42,824			935	None	400	230	1585	.10
Belleville	60,442	55,691	120	246	718	804	240	None	2621	.18
Bloomington	52,549	47,900	180	518	1130	None	705	455	1659	.17
Champaign	1,994	None	None	583	1040	None	161	201	None	.16
Danville	70,645	66,600	None	900	306	None	755	110	904	.11
Decatur	3,191	None	None	762	410	375	1,361	263	1483	.10
E. St. Louis	179,809	155,410	798	861	120	2,081	4,295	None	16,243	.35
Elgin	37,114	34,000				870				.12
Evanston	5,510	None				2,187				.22
Freeport	25,160			487		542				.11
Galesburg	2,529	None				238				.10
Jacksonville	876	None	None	250	520	None		None	106	.05
Joliet	139,045	136,000	160	550	919	666	320	101	1675	.07
LaSalle	34,400	33,110	None	265	None	260	370	87	308	.13
Moline	66,226	63,126						370	3130	.14
Ottawa	25,680	25,250	90			110				.04
Peoria	149,300	137,307	1144	1587	925	1940	1674	538	3141	.18
Quincy	80,091	72,500				1928				.21
Rockford	4,056	None								.09
Rock Island	51,697	48,025	90	965	560	176	868	243	770	.14
Springfield	115,604	108,435	613	851	96	None	609	317	4682	.14
Streator	27,764	26,750	None	225	340	103		90	256	.06
Urbana	405	None	None	100						.05

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to demonstrate the desirability of systematic licensing and stringent collection over their opposites.

It is evident that general licenses can be depended upon to contribute from \$1000 to \$5000 per year of the municipal income under a proper system of levy and collection. Unfortunately no system has been advanced to insure payment, other than that of tagging, which can be employed only in special cases. In frequent instances the enforcement of certain licenses has been allowed to lapse entirely. An example of this is the tax on dogs, which if effectively enforced will produce a thousand dollars in cities of even moderate size. In Rockford the tax is authorized, but the ordinance is a "dead letter". Such conditions are better, however, than the unequal enforcement of the law in Ottawa, Galesburg, Streator, and more strikingly in Rock Island. All of these cities except Streator have a larger population than Freeport, yet none of them receive an amount equal to half of the dog tax collected in that city.

On the other hand, an example of a license which is almost uncollectable is that on hotel "runners" or porters. Peoria, with its numerous hotels, received three dollars in 1909 from this source. In Rockford no attempt is made to enforce the licensing ordinance. (A license tax of this nature may be classed with those frequently intricate ordinances taxing peddlers, hawkers and auctioneers. In Urbana an ordinance of this kind by a complicated classification of the goods sold, method of transporting them and the length of time the permission is to continue,



invites non-enforcement by its complexity.

Table 7 is a compilation of the principal licenses imposed and the rates in the twenty-four cities under consideration. The field is very wide yet from the point of view of revenue only a few occupations furnish any considerable income. The most important sources are baggage and express wagons; billiard and pool halls, druggists, pawnbrokers, junk and second hand stores, and theatres of all types. These industries have been long subject to license taxation, and a review of the reports of the several cities shows that licenses of this kind form the backbone of the license income. The businesses are permanent; the burden of the tax can be shifted in most cases only upon the well-to-do; and, what is more important, the taxes are easily collectable. The remainder of the occupations subject to licensing are of less permanent character, or of such a nature that a heavy license would be oppressive. Under such conditions license taxation is more successful if concentrated on a few occupations where the returns will be productive, rather than where it covers a wide field at low rates.

Whether a heavy license should be imposed upon the baggage and express business is questionable. The industry makes special use of the city streets, for which payment may be expected; at the same time it serves as a refuge for a class of broken down men who earn only a bare livelihood.

A heavy license tax on billiard and pool tables and upon bowling alleys is a profitable source of revenue. A number of cities charge only \$5 per table, while in Danville the tax falls as low as \$2.50 per table, the annual income being only a trifle

1885-1886

1885				1886			
Jan	1	2	3	Jan	1	2	3
Feb	1	2	3	Feb	1	2	3
Mar	1	2	3	Mar	1	2	3
Apr	1	2	3	Apr	1	2	3
May	1	2	3	May	1	2	3
Jun	1	2	3	Jun	1	2	3
Jul	1	2	3	Jul	1	2	3
Aug	1	2	3	Aug	1	2	3
Sep	1	2	3	Sep	1	2	3
Oct	1	2	3	Oct	1	2	3
Nov	1	2	3	Nov	1	2	3
Dec	1	2	3	Dec	1	2	3

Table 7.

Principal Licenses and Rates in Twenty-four Illinois Cities.

	Auctioneers	Auctions	Baggage and Express	Billiards	Bill Posters	Bowling Alleys	Brewers	Brewery Agents	Cigarettes	Dance Permits	Druggists	Dogs	Ferry Boats
Alton			x	\$5	\$25		\$100				\$25 ⁶	\$2	
Aurora		\$15 ^d	\$5	15	100	\$25 ³	x	x	\$250				
Belleville			x	15	25	15	100			\$5	10	3	
Bloomington	\$50		4-12	15	15				200		10 ⁸		
Champaign	10		7.50	10		15							
				2.50		5							
Danville	25		1	5	50	10	200	\$200					
Decatur	75		5	5		10 ³							
E. St. Louis	50		25 ³	10	25		x	x			25	1-2	\$100
			2.50										
Elgin	25	25	5	15	20 ⁵	15			100		25	1-2	
Evanston	15	10 ²	x	200 ³		200 ³				5			
				5		5							
Freeport				10		10					1	1	
				15									
Galesburg	10		5	25		25 ³					15	1-2	
Jacksonville				20									
Joliet	10			100 ³	40	10				50	10	2	
LaSalle			5		25							1	
Moline	50		10	15	50						5		
Ottawa	50				3				100	25	10	1	
Peoria	10		2-3	100 ³	40	10			100		10	2	
Quincy			x	5		10 ³	x	x			25	1	
				10									
Rockford	25		2	30	20	25 ³			F		20	1 ⁹	
Rock Island	100		5	10	50	10	25	x			5	1-2	100
Springfield	100		5	5	100	10	100	100		25	25		
Streator			5	10			300	x	F		7	1	
Urbana	20		7.50	5		10						1-2	

Table 7. (Cont.)

	Hacks	Hawkers	House Movers	Itinerant Merchants	Merry go rounds	Milk Wagons	Museums	Pawn Brokers	Peddlers (wagon)	Peddlers (cart)	Peddlers (foot)	Pool
Alton		\$50 ^y				\$15	\$200	\$50	\$5 ^m	\$5 ^m	\$5	
Aurora		125	\$10		\$3 ^d	5	100	150	50 ^m	50 ^m	15	
Belleville		x		x		10	50	4 ^d	3 ^d	2d	15	
Bloomington		5 ^d		x		2.50	100	5 ^d	2 ^d	2 ^d	15	
Champaign		25		\$28 ^m			5	25 ^m	3 ^m	3 ^m	15	
Danville	\$5	35	10	75 ^m		\$5 ^d	50	35	20	20	2.50	
Decatur		x	50				150	10		1	5	
E.St.Louis		50	25	x	15 ^w	5	100	50	25	25	10	
Elgin	5	2.50					50				15	
Evanston	5	25	10			5	25	25	25	25	200 ³	
Freeport						1					5a	
Galesburg	12	50			20 ^w		100	50			10	
Jacksonville											15a	
Joliet		50	25	75 ^m		5	50	50 ^m		4 ^d	25	
LaSalle		25				10		25	5 ^d	2 ^d	100 ³	
Moline	10	50		50		5	50	50	50	50	15	
Ottawa		3				5		3 ^d	2 ^d	2 ^d		
Peoria	3	150	25			5 ^e	50	25			100 ³	
Quincy	1			100 ^m			15 ^m	50	12 ^m	1.50 ^d	1.50 ^d	
Rockford		1-3 ^d	5	10 ^d		1	50	1 ^w	1 ^d	1 ^d	5	
Rock Island	20 ³	x	25			5 ¹⁰	50	3 ^d	3 ^d	3 ^d	10a	
Springfield		50			20 ^w	5	1 ^d	100	3.50 ^m	3.50 ^m	3.50 ^m	
Streator						5					5	
Urbana		35 ^m		2-10 ^w	1d		50	8m	6m	6m	10	

Table 7 (Cont.)

38.

	Runners	Scales	Second hand stores	Shooting galleries	Stands	Stores of oil	Skating rinks	Theatres 1st class \$25	Theatres motion picture \$25	Wholesale Liquor	Circus 1st class \$25	Junk Dealers \$10	Scavenger
Alton													
Aurora				\$25				100	50 ¹³	50 ¹³	100	50	\$50
Belleville			\$50					50	50		50	50	
Bloomington								150	60		40 ¹⁴		5
Champaign			5	25				125	75		50	5	3
Danville		\$10		50			\$50	150	150	200	100	50	10
Decatur	\$5			10	\$5 ^w			60				100	10
E.St.Louis		25	x	10	\$25			25	25	150	100	150 ¹⁶	25
Elgin			10	25				100	100			10	5
Evanston								100			20		5 ¹²
Freeport				30				150	100		125		
Galesburg			1				75	100	50		50	15	
Jacksonville								100	25		40		
Joliet	3		10	3				50	50		100	10	5
LaSalle							10	120	120		50	25	
Moline		1	2	50 ¹⁵				25	25			2	5
Ottawa				50				50	50			50	5
Peoria	3		25	10	3				50			25	5
Quincy					2d			100	50	25	75 ¹⁴		
Rockford	12			30							100		
Rock Island		11						50	50	100	50		
Springfield	10	50	50	36	50	\$50		100	25		100	30	
Streator		10						50	50	300			
Urbana		5		20			5m	75	25				

A blank means not taxed *or no tax reported.*

f,- sale forbidden but ordinance not enforced.

a,- larger sum for first table, smaller for each additional table.

x,- taxed under other classification.

y,- year.

m,- month.

w,- week.

d,- day.

1,-

2,- by other than an auctioneer.

3,- total business.

4,- per table unless otherwise designated.

5,- circus bill posters \$5.00 per day.

6,- not now enforced.

7,- fee only.

8,- occupational tax on all pharmacists.

9,- not enforced.

10,-any place where milk is sold.

11,-\$2.50 for 100 scale tickets which sell for \$.10 each.

12.-per wagon.

13,-an initial franchise tax.

14,-parade only.

15,-stands located on city property.

16,-\$10.00 per wagon, additional.

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15. The fifteenth part of the report.

16. The sixteenth part of the report.

17. The seventeenth part of the report.

18. The eighteenth part of the report.

19. The nineteenth part of the report.

20. The twentieth part of the report.

21. The twenty-first part of the report.

22. The twenty-second part of the report.

23. The twenty-third part of the report.

24. The twenty-fourth part of the report.

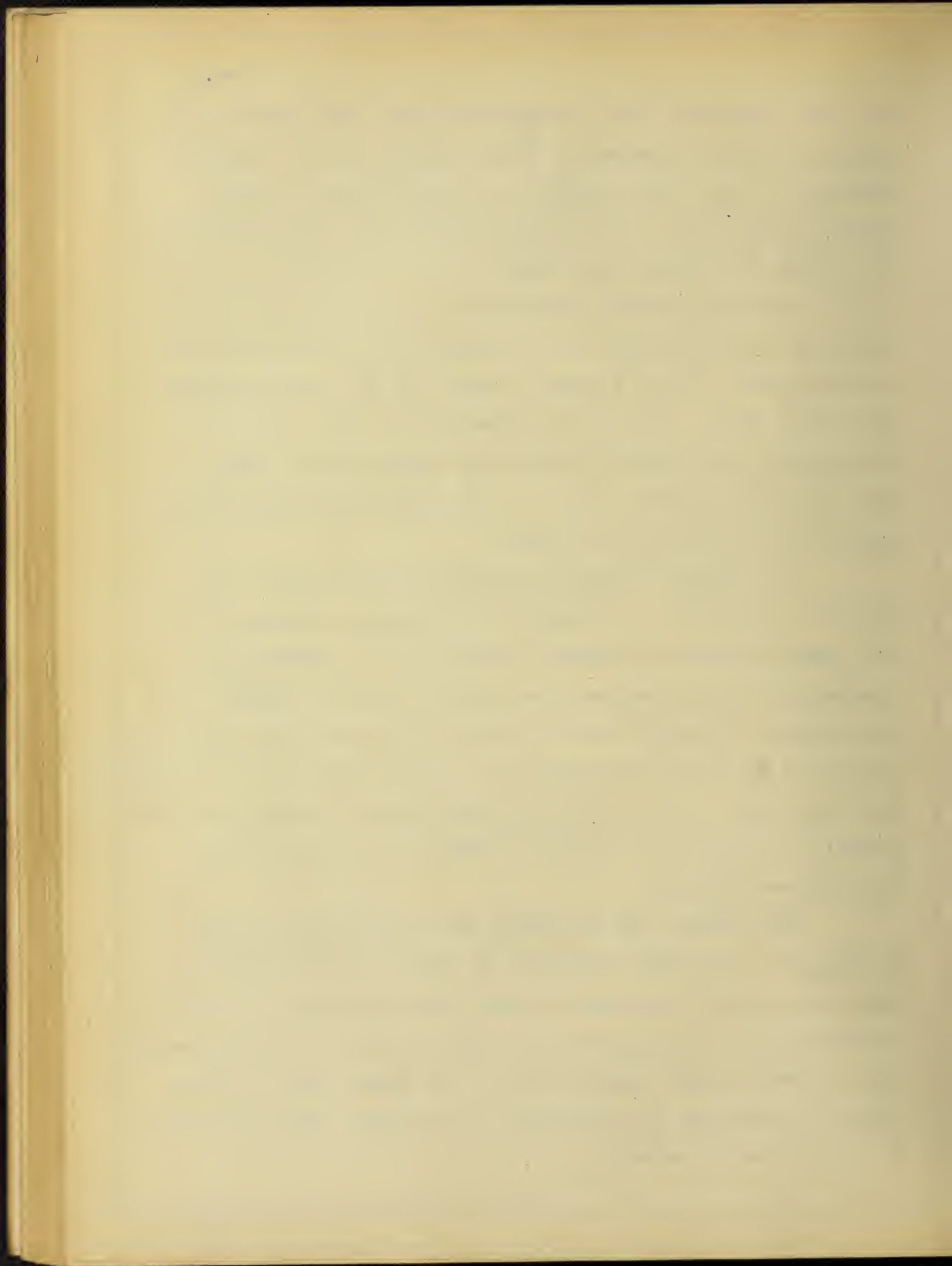
25. The twenty-fifth part of the report.

over \$300. Evanston, Joliet and Peoria charge large sums for the conduct of these businesses, a practice, which, while it gives a monopoly to a few places, makes the collection easy. Only a quarter of the cities charge more than \$5.00 per table which sum with a view to revenue is too small.

On bowling alleys the prevailing licenses are ten and fifteen dollars per alley, tho in Freeport the charge is as low as five dollars. Where a charge is made for the business rather than by the alley, the rates are comparatively much lower. In Evanston the rate is \$200, but the next highest rate is \$25, which prevails in three cities. In two other municipalities the business rate falls as low as \$10.

The druggist license is usually a small fee for permission to sell liquor, presumably for medicinal purposes, tho this restriction is notoriously violated. The predominating license rates are fifteen and twenty-five dollars. However in two instances it is \$5.00 and in one case only one dollar. In Blooming there is an occupational tax upon all pharmacists of \$10.00 per year.. On the whole the drug license is widely used and generally collected, but is not as large as the nature of the drug business justifies.

Pawn shops, junk and second hand stores form a class by themselves, for which licensing is largely a police measure. Pawn shops require considerable police supervision and the rate of taxation is high to limit their number. Junk shops are licensed with a view to police regulation, but the object would be better secured by extending the licensing to the wagons, and would result in an increase of revenue.



Theatres are perhaps the most illogically taxed businesses of the group,- the license rate in cities of the same size ranging from \$25 to \$150. The predominant rate is from \$50 to \$100, tho six cities charge more than this latter figure. The moving picture show has ^{not} been taxed as much as possible, tho they are licensed in most localities. The business is supposedly profitable and requires increased fire protection, and these facts would suggest the desirability of a higher license.

Brewers, brewery agents and wholesale liquor dealers are not as extensively or as heavily levied upon as the nature of their businesses justifies. If retail liquor dealers should be taxed from \$500 to \$1000, it would appear reasonable to tax a wholesale dealer more than \$25, as is done in Rock Island and Quincy. Also if the business is of such a nature that it must be taxed \$300 per year in one city, it is questionable if it should be exempt in another.

Itinerant merchants, licensed from \$25 to \$100 per month, are from several points of view escaping with less than a reasonable charge. It cannot be said that their presence promotes a healthy growth of home industries; or is entirely lacking in the need of police supervision; nor are they subject to the general property tax. Perhaps in this instance a much higher license than that which the municipalities are assessing would be expedient upon the grounds both of revenue and of public policy.

Milk wagons in all but seven of the cities pay a nominal fee in order to facilitate inspection. In two instances, Peoria

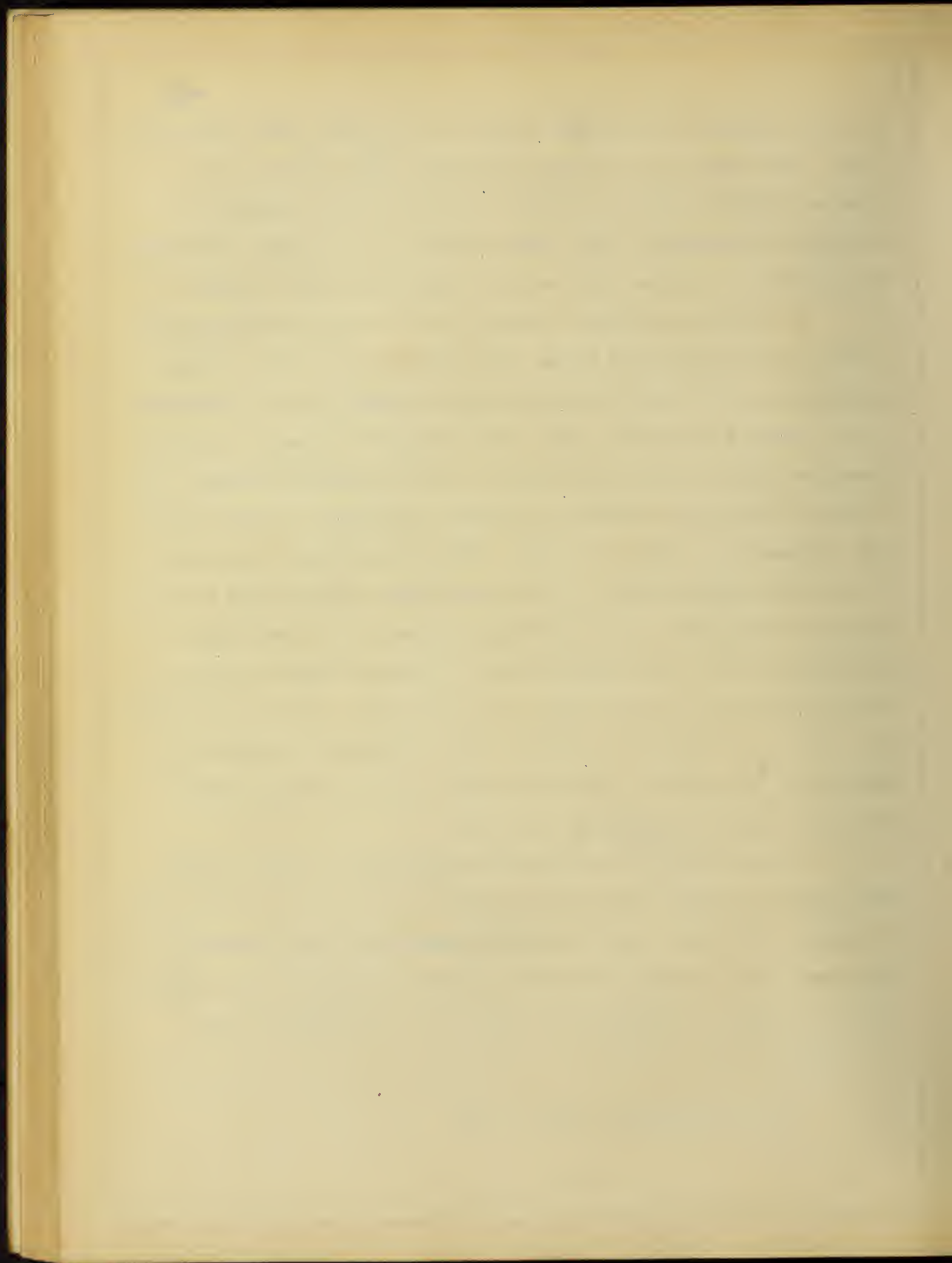
The first part of the paper is devoted to a general
 discussion of the problem. It is shown that the
 problem is of great importance in the theory of
 functions. The second part is devoted to a
 detailed study of the problem. It is shown that
 the problem is of great importance in the theory of
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and Rock Island, the licenses apply to all places where milk is sold. The usual rate is five dollars per year, tho it is as high as fifteen dollars in Alton, and falls to one dollar in Freeport and Rockford. The total revenue is not large, but should be sufficient to cover the costs of inspections and testing.

The high cigarette license tax is normally imposed with a view to decreasing the sales. The result is to give a single merchant a cigarette monopoly, as was originally true in Rockford, or for several dealers to take out licenses at a loss,- in which case the tax was really one upon the retail tobacco business. Or a large license may prevent any dealer taking one, in which case the ordinance is widely violated. This situation was found in both Ottawa and Rockford. A more reasonable license than that now imposed in the five cities licensing the sale of cigarettes,- possibly \$50 per year would prevent the indiscriminate sale by small dealers and grocers, and would materially reduce or eliminate the loss on a license to a tobacco shop. The result would be a \$50 tax on the retail tobacco business, tho its payment would have the appearance of being optional.

In addition to the licenses enumerated in table 7 there are numerous others which are operative in only a few cities. The completed list would include striking machines at one and ten dollars a day, in Aurora and Urbana respectively; ice cream wagons¹ at five dollars in Belleville; street cars in several cities;

1. See franchise taxes, p. 72



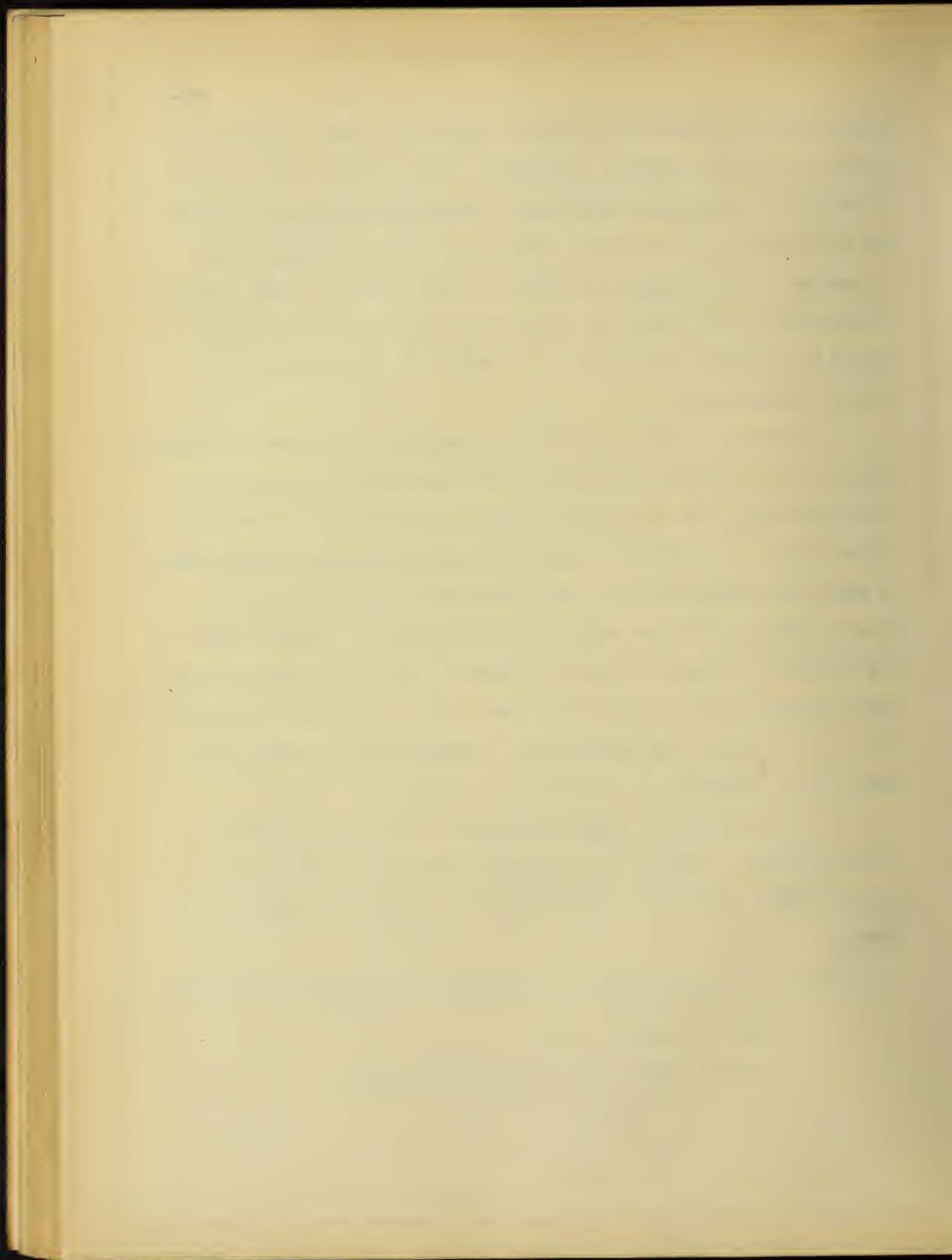
solicitors for merchants, at \$50 in East st. Louis; mechanical clocks at \$2.50 in Aurora; distilled water dealers, five dollars, in Evanston; awning manufacturers, twenty-five dollars in Joliet and Peoria, or at ten dollars when more than one person shall be engaged in the business, keepers of gun powder, three dollars, in Galesburg; and the penny arcades in several municipalities, either by specific designation or under the classification of general amusements.

Cities are also permitted to examine and license plumbers, the fee being fifty dollars for master plumbers, and one dollar for journeymen; and to renew the same annually for \$10 and \$1.00¹ respectively. In Rockford examination and renewals returned \$481, or \$449 net, which² as has always been the custom was divided equally among the three members of the board". Electricians pay an annual license of \$5.00 in Peoria, the total income from this tax being \$501. Aside from these last, and single instances of a tax on bakers and pharmacists, occupational licensing has made little progress in the cities of Illinois.

The business of plumbing pays a ten dollar license in Decatur, Ottawa, LaSalle, Bloomington and twenty dollars in Moline. Drain layers are licensed at ten dollars in Rockford and Peoria.

1. Laws of 1909, p. 132.

2. Annual Report of Rockford, 1909, p.88



Business Taxes.

It is not easy to distinguish between the objects of business taxation and general licensing tho it is desirable to discuss them separately. Certain trades have been long subject to licensing and by nature seem to invite certain police supervision, - as druggists, pawnbrokers, second hand dealers, junk shops, etc. On the other hand, other businesses have no special characteristics which justify licensing and taxation for some if not imposed on all. Licensing within this group is justified only by the requirement of revenue, and the desirability for an easily assessed and collected tax.

The statutes are sufficiently broad to permit the licensing¹ of almost any business which the city may think necessary, yet the practice of business taxation has been extended only in a limited radius from East St. Louis, which city borrowed the practice from its Missouri namesake. Table 8 is an exhibit of the rates of business taxes and the total amounts received by each city from this source for the year 1909. East St. Louis, Springfield, Belleville, and Alton are the only cities deriving a considerable revenue from this source, while many other municipalities license an occasional business. The most productive license is that of butcher shops which in Alton paid \$1988 during 1909. In the same city, livery stables and lumber yards contributed \$125 each, and restaurants, \$282.

1. Rev. Stat. Ch. 24, Par.62, item 95 et seq.

Table 8.

Business Taxes, Rates, and Total Income for the Year 1909.

	Arming manf.	Bakeries	Brokers, genl.	Brokers, r.e.	Coal	Fire Works	Fire Works, whl.	Groceries	Hay and Grain	Ice	Hotels	Liveries	Lumber Yards	Meats, retail	Meats, whl.	Restaurants	Store goods	Undertakers	Total Income.
ALTON											\$25	\$25	\$100	\$10					\$2520
BELLVILLE		\$10	\$25					\$10			25	25	10			\$10			2368
E. ST. LOUIS		25	\$200	25	\$25			25	\$25	\$25	50	50	50	50	15	25	25	14.611	
EVANSTON										5 ²	2.50	25		2			\$10	No data	
JOLIET	\$25								10 ²										185
PEORIA	25	5'							10 ⁵										176
Rock Island													5						135
SPRINGFIELD			25	25	10	\$3	\$15		10	\$15	25	25	\$100	15					3757

1 PER PERSON 2 PER WAGON 3 PER RIG

4 Now \$25.00 5 Not Enforced

Journal of the United States Fish Commission, 1870.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000	1001	1002	1003	1004	1005	1006	1007	1008	1009	1010	1011	1012	1013	1014	1015	1016	1017	1018	1019	1020	1021	1022	1023	1024	1025	1026	1027	1028	1029	1030	1031	1032	1033	1034	1035	1036	1037	1038	1039	1040	1041	1042	1043	1044	1045	1046	1047	1048	1049	1050	1051	1052	1053	1054	1055	1056	1057	1058	1059	1060	1061	1062	1063	1064	1065	1066	1067	1068	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104	1105	1106	1107	1108	1109	1110	1111	1112	1113	1114	1115	1116	1117	1118	1119	1120	1121	1122	1123	1124	1125	1126	1127	1128	1129	1130	1131	1132	1133	1134	1135	1136	1137	1138	1139	1140	1141	1142	1143	1144	1145	1146	1147	1148	1149	1150	1151	1152	1153	1154	1155	1156	1157	1158	1159	1160	1161	1162	1163	1164	1165	1166	1167	1168	1169	1170	1171	1172	1173	1174	1175	1176	1177	1178	1179	1180	1181	1182	1183	1184	1185	1186	1187	1188	1189	1190	1191	1192	1193	1194	1195	1196	1197	1198	1199	1200	1201	1202	1203	1204	1205	1206	1207	1208	1209	1210	1211	1212	1213	1214	1215	1216	1217	1218	1219	1220	1221	12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In Belleville the most important of the business taxes was that on the vendors of provisions, the return being \$720. Vendors of bread, fruit, etc. paid \$355; real estate brokers paid \$337; and livery stables, \$100. In East St. Louis butcher shops paid \$5100; grocery stores, \$4408; "vendors of store goods", \$1387; coal and ice dealers, \$895; real estate brokers, \$719; and hay and grain dealers, \$268. The remaining business licenses produce less than \$250 each. Meat dealers are the most important contributors to the business tax fund in Springfield, retail dealers paying \$1417, and wholesale dealers, \$908. Lumber yards are the next in rank, contributing \$305; restaurants pay \$250; lunch rooms, \$248; and real estate brokers, \$168. The remaining businesses pay less than \$100 each.

The other cities enumerated in Table 8 cannot be said to indulge in business licensing for revenue purposes. In Evanston lumber yards are taxed sufficiently to produce a reasonable revenue; the other licenses appear to be of a regulatory nature. The license of awning manufacturers in Joliet and Peoria is unimportant, and the tax on ice wagons is apparently regulatory.

In this connection attention may be called to the two dollar tax on restaurants in Evanston; and a similar license proposed in Urbana. Both of these cities forbid the licensing of saloons and in consequence have found it necessary to extend police supervision to restaurants to prevent the illicit sale of liquor.

The four cities which have extensively adopted business taxation find it a profitable source of revenue. Its general

introduction, however, would probably meet with such opposition as to make wide adoption impossible.

Vehicle Licenses.

A recent amendment to the general incorporation act for cities provides that municipalities may "direct, license and control all wagons and other vehicles conveying loads within the city, or any particular class of such wagons and other vehicles, and prescribe the width of tires of the same, the license fee when collected to be kept in a separate fund and used only¹ for paying the cost and expense of street and alley repair".

Eight out of the twenty four cities here under discussion have placed upon vehicle owners part of the cost of repairing streets which are built entirely by the property owners. Ordinances establishing vehicle licenses meet with considerable opposition and have been considered unfavorably in at least three cities, Decatur, Rockford and Springfield. The ordinances which have been passed indicate no uniformity as to what is regarded as a reasonable tax on vehicles. The minimum is in Moline where the charges are a dollar per horse, with the uniform charge of \$7.50 for delivery wagons. In East St. Louis the minimum charge is \$7.50 for a one horse vehicle, with an increase of \$2.50 for each additional horse. In Jacksonville the tax is based upon a combination of the number of horses and weight of the vehicle.

1. Rev. Stat. 1908. Ch 24, Par.62, item 96.

Table 9.

48.

Vehicle Licenses, Rates, and Income for the Year 1909.

	ONE HORSE	TWO HORSES	THREE HORSES	FOUR HORSES	MORE THAN FOUR	AUTOMOBILE (single)	AUTOS (double)	AUTO TRUCKS	MOTOR CYCLES	INCOME
Alton	\$ 2	\$ 2-5	\$ 5	\$ 5	\$ 5	\$ 10	\$ 10	\$ 10		\$516
Aurora									\$ 1	
Belleville	5	5	5	5	5	5	5	5		483
Decatur						5	5	5		
E.St.Louis ⁶	7.50	10	12.50	15	15					7169
Evanston	3	5	10	15	20	12 ¹	20	30	3	8065
Jacksonville	2.3 ²	4-10	10	10	10	10	10	10		2368
Moline ⁵	1	2 ³	3	4		5	10	15	2	800 ⁵
Quincy	1	2				7.50	10 ¹⁵⁴		2	3401

1,- Driver also licensed.

2,- Based upon number of horses and weight of wagon.

3,- Delivery wagons, \$7.50.

4,- Six or more passengers.

5,- 1911.

6,- Furniture, baggage and express wagons, \$25.00

The intention was to charge light delivery wagons \$4.00, and the maximum weight of three dollar vehicles was placed at seven hundred and fifty pounds. The result was to place most delivery wagons in the three dollar class. Perhaps such a scheme of graduating the tax by the weight of the vehicle is commendable if wear and tear on the pavements is to be considered, but it lacks much in simplicity of collection.

It has been impossible to separate the revenue returns from the licensing of automobiles from that of other vehicles, tho doubtless the former contribute the larger share. It is conceded that automobiles cause a considerable destruction of streets and they have been taxed accordingly. The minimum charge is five dollars per car, and the tendency is to increase the rate to ten dollars for other than runabouts, while one city adds the class of six passenger cars. The result of the high charges in Evanston is seen in the amount of revenue derived from this source. Perhaps twenty dollars would be considered large in the average city, but it should be remembered that the ownership of an automobile is, or should be indicative of ability to pay. In addition to the charge on machines, Evanston examines and licenses automobile drivers, the examination being made by the Commissioner of Public Works. The initial charge is three dollars, the license being renewable annually for one dollar.

The motorcycle license has been adopted by four cities and is more of a police than a revenue measure, justified by the large increase in the number of machines and the danger arising from their use.

The first part of the paper discusses the importance of the study of the history of the United States. It is pointed out that the study of history is not only a means of understanding the past, but also a means of understanding the present and the future. The author argues that the study of history is essential for the development of a nation and for the progress of the world.

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Fire Insurance Tax.

Fire insurance companies which are not incorporated under the laws of the state of Illinois are required to pay into the treasuries of the municipalities in which they operate, not to exceed two percent of the gross receipts from insurance in force within the city limits. The disposal of this fund has already been mentioned, and comment concerning it must be confined to the manner of collection.

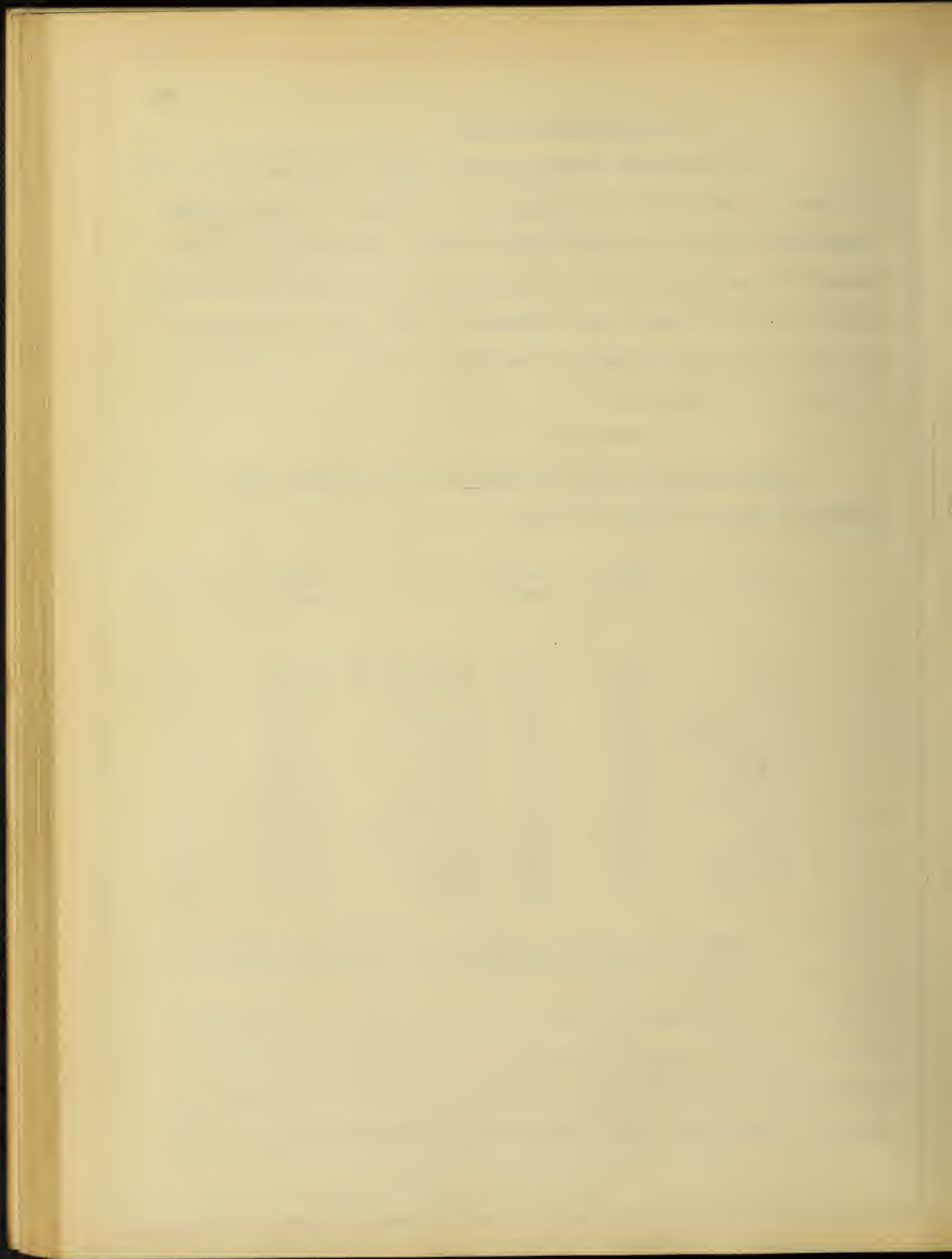
Table 10.

Total and Per Capita Income from the Foreign Fire Insurance Tax for the Year 1909.

City.	Total Amount.	Per Cap. Amount.	City.	Total Amount.	Per.Cap. amount.
	\$	\$		\$	
ALTON	1488	.085	JACKSONVILLE	1348	.088
AURORA	1636	.055	JOLIET	1984	.057
BELLEVILLE	662	.025	LA SALLE	739	.075
BLOOMINGTON	1093	.041	MOLINE	1415	.58
CHAMPAIGN	1124	.09	OTTAWA	912	.082
DANVILLE	1672	.06	PEORIA	7369	.11
DECATUR	3102	.10	QUINCY	1000(1)	.00
E.ST.LOUIS	1200	.017	ROCKFORD	2248	.05
ELGIN	1121	.043	ROCK ISLAND	1838	.071
EVANSTON	1472	.059	SPRINGFIELD	1729	.074
FREEPORT	1061	.06	STREATOR	1159	.074
GALESBURG	1579	.069	URBANA.	327	.04

(1) Annual reports for 1907 and 1909 make no mention of this tax. May be included in "general licenses".

Table 10 is a statement of the income of each city from this source. In this instance, where one would anticipate almost uniformity in the percapita collections, there is a large variation in the income, the lowest being \$.017 per person in East



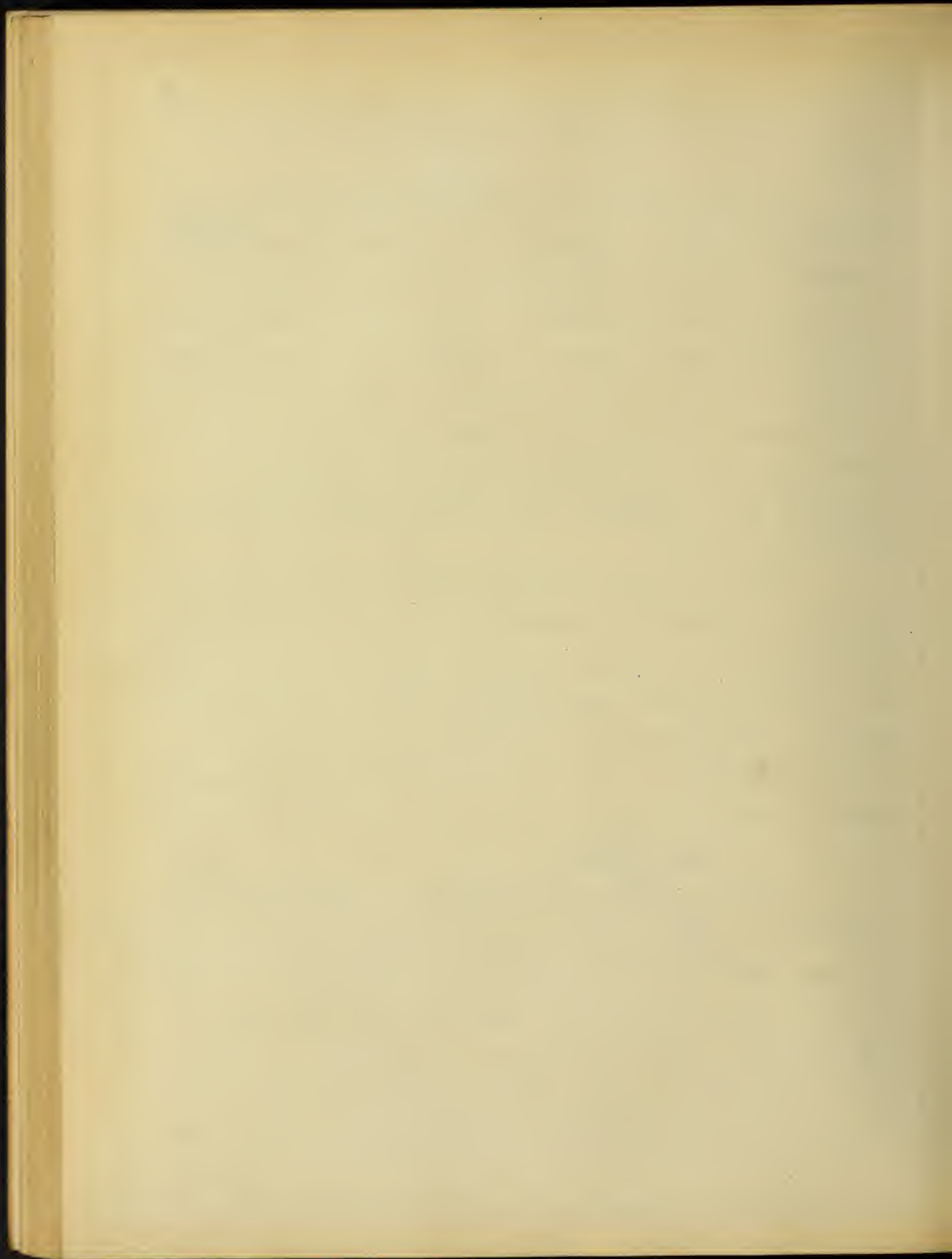
St. Louis, and the highest \$.11 or six times that amount, in Peoria.

In some instances City officials frankly admitted that the collection of the tax had not been pressed, as for ^{sample} ~~instance~~ in East St. Louis. By special action of the city council in Ottawa in 1909 suit was commenced in the justice court against fifty-six delinquent companies, resulting in a payment of \$863. Rockford, to facilitate the collection of this tax, requires that each insurance broker take out an annual license, the charge being one dollar. At the time of issuing this license, an affidavitt may be required of the foreign insurance business which the firm has written.

From the figures it appears that the normal collection in each city should fall between four and eight cents per person, and nearer the latter figure than the former. Yet five cities fall below the minimum figure suggested and seventeen below the maximum. The insurance tax will furnish one of the largest incidental revenues to which the cities have access, if means are found to compel its payment.

Police Fines.

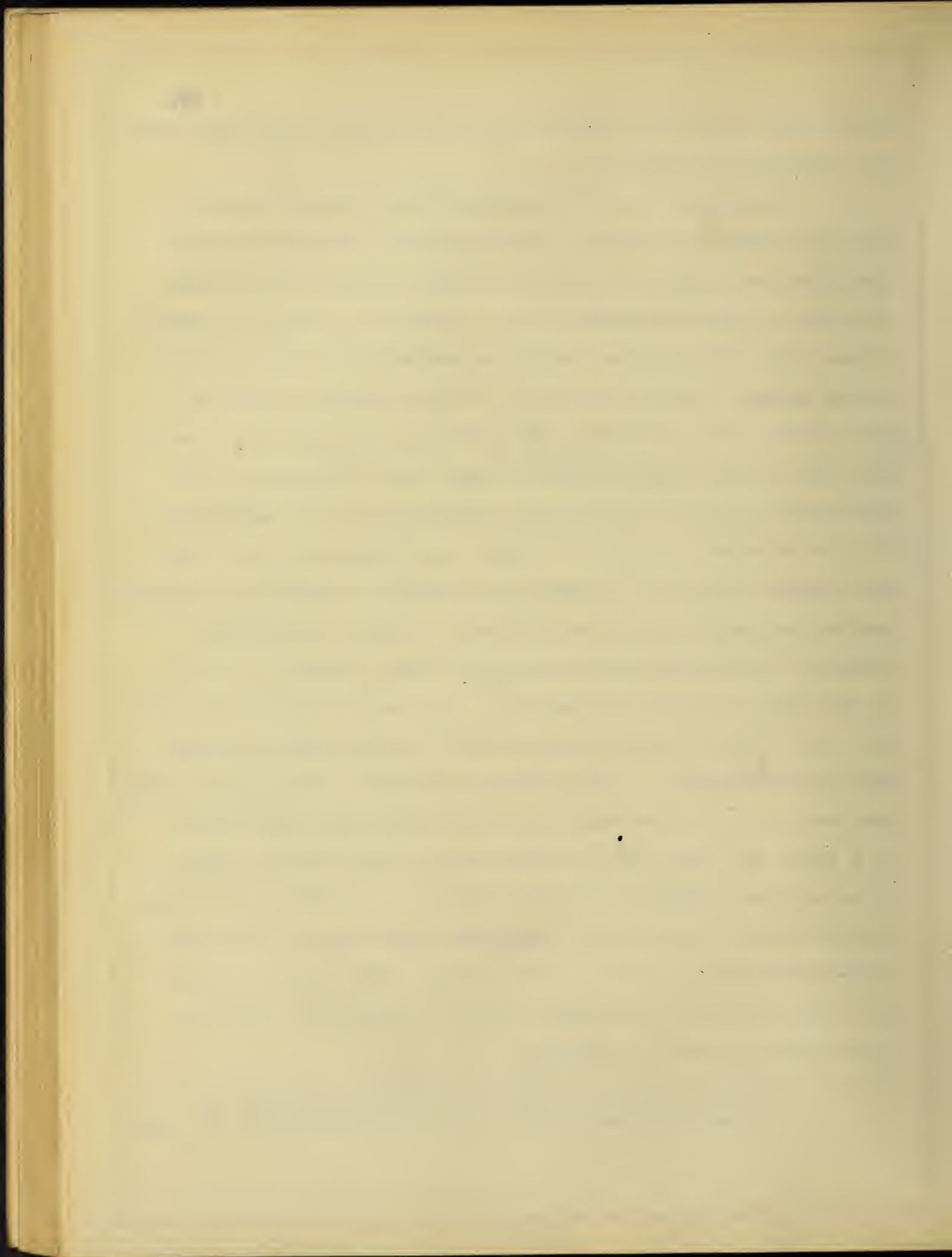
The police and local courts are not important for their contribution to city revenues since the maximum in any city amounts to only 4.12% of the whole, while the average is about 1%. (See Table 33. It is rather for its omissions that this branch of the municipal revenue is important, for the fact of its very small contribution to city revenues, and that this sum has the wide variation of 4.72% (Freeport) of the whole in one case and .236% in another (Moline). The police is the one city department whose government is fashioned after that of a quarter of a



century ago. It is still beset with fees, charges perquisites, and not infrequently ignorance.

A prisoner from the instance of his arrest is in the grasp of a system of charges, - a fee for the officer who makes the detention, a fee for the prosecuting attorney, and the more important of these dependent upon the opinion of those in charge. In one city a city warrant cannot be secured after nine o'clock in the morning, if the case is one in which either a state or city warrant may be issued. A city warrant will give the fine to the city; a state warrant puts the fine into the pocket of the prosecuting attorney and permits a larger fee to the magistrate. If there have been a series of state cases where no cash fines have accrued these will be made up by means of a heavy fine assessed against the next offender who can pay. In some counties the stipend of the prosecuting attorney has been limited by a vote of the people, - in some it has not. It is said on good authority that the office of states attorney in St. Louis County is worth¹ annually from twenty to forty thousand dollars. The minimum charge assessed in a city case would be a \$1.00 fine plus \$1.80 costs. In a state case this would be \$3.05 plus in many cases a minimum attorneys fee of \$5.00. In simpler words, in one city of the state the penalty of a crime may be magnified four times if the arrest is made after nine o'clock in the morning. Under such a system the possibilities of connivance between the magistrate and the prosecuting attorney is apparent.

1. State cases may suffer by the county attorney receiving fines in the cases he prosecutes. (next page)

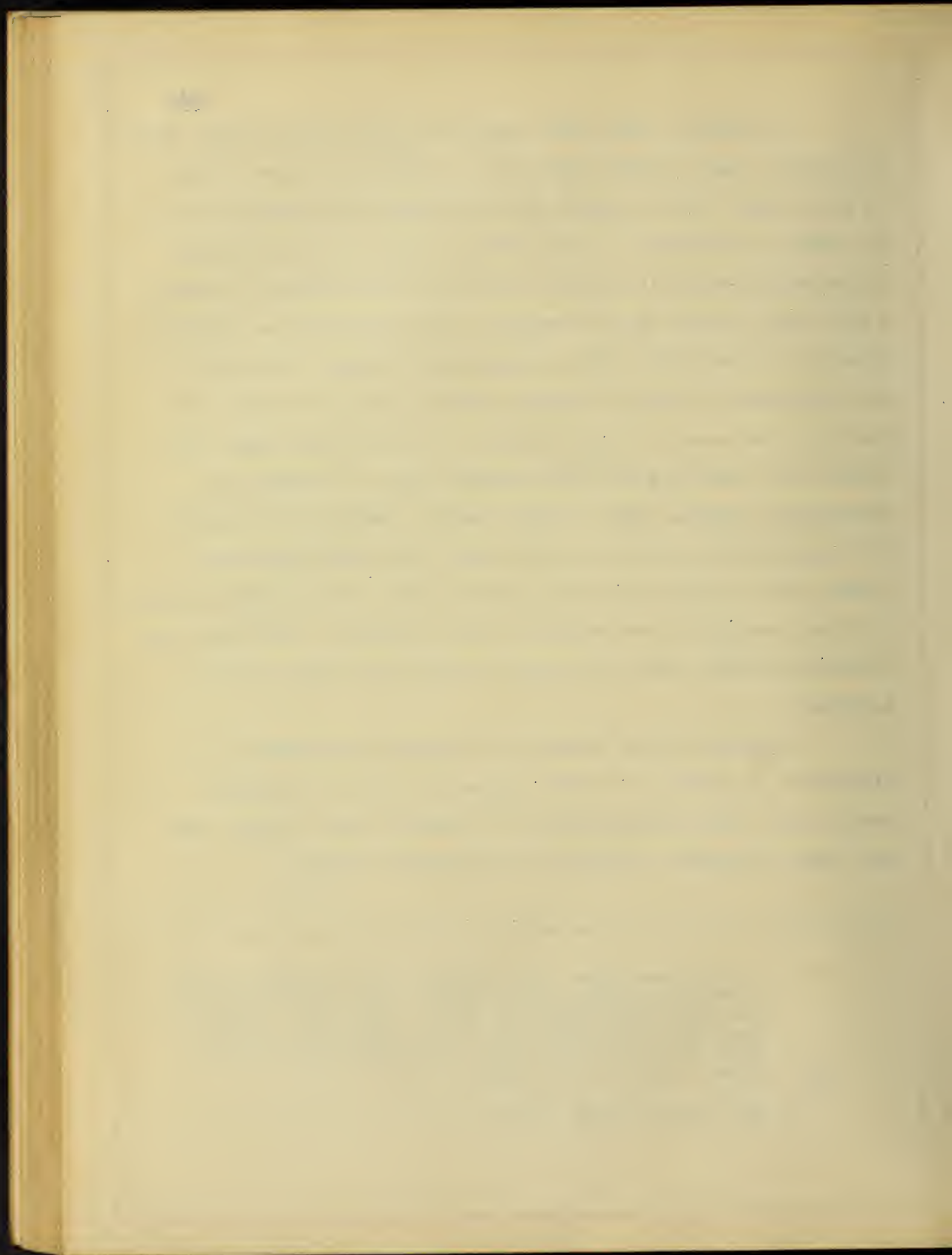


In Quincy, state cases amount to only 7.5% of those tried; in Rockford they are 26%; Bloomington, 27%; Rock Island 37.5 and in Moline 45%. It is impossible to believe that serious crime is six times as prevalent in this latter city as it is in Quincy. In one municipality the chief of police in his attempt to obtain a fair deal for the city by having as many prisoners as possible fined in the municipal court, brought upon himself the wrath of the politicians in such a measure that he gave up the task. To quote his own words, "I had to come off second best!" There are, however two solutions for this problem, -first, to place the prosecuting attorney upon a salary basis.¹ Tho the fines under this system are still lost to the city, the surplus over the salary will be turned in to the county school fund. In Rock Island, in 1908, over \$2,000 was secured in this fashion. The other idea involves the more difficult plan of taking the police out of politics.

Justices of the Peace have long been notorious as dispensers of justice of a sort, a practice which in Chicago brought upon them the approbrium of "justice shops". There they have been abolished in favor of the municipal court

1. (from last page) For example the statutes provide that game wardens shall receive one half of the fines in cases apprehended by them. One county attorney has refused to sanction such a loss to his income with the result that game law enforcement is at a stand still in his county.

1. Rev. Stat. Ch 52, par.8a.



The evils of political justices need no recital, yet one city, East St. Louis, with over ten thousand arrests per year, clings to the system. Each morning the culprits of the last twenty-four hours are religiously divided among the city magistrate and a half a dozen justices of the peace. In other cities the city cases tried before the justices of the peace are almost nil, 15 of 1019 in Quincy, 1 of 1507 in Rockford.

A reference to Table 33 in the chapter on Conclusions will show the proportion of each city's revenues which is contributed by the police department. This, however, is hardly a just method of comparison, since the smaller sums are overwhelmed by the larger ones arising from other sources. Also, both the opportunities for, and the policy of, arresting is different in each locality. In "dry" communities persons intoxicated are usually apprehended on sight, while in others, not until they become decidedly offensive. That the number of saloons directly influences the number of arrests, and hence the police income, is shown both by the sizes of the police forces and the population per annual arrest in the different cities. In the five no-license cities the average number of persons per police officer is 1566; for the remaining number of cities there is an average population of 1168 for each officer. Table 13 also indicates that there is some correlation between the population per saloon and the population per police officer which holds true except in a few instances.

The first part of the paper is devoted to a general discussion of the problem of the origin of life. It is shown that the problem is one of the most important and most difficult in the history of science. The author then proceeds to a detailed examination of the various theories which have been proposed to explain the origin of life. He discusses the theory of spontaneous generation, the theory of biogenesis, and the theory of abiogenesis. He also discusses the theory of the origin of life from non-living matter, and the theory of the origin of life from living matter. The author concludes that the theory of abiogenesis is the most plausible of the theories which have been proposed.

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While the presence or absence of saloons affects decidedly the number of men required to maintain order, and may increase the number of arrests in an individual city, on the whole the liquor influence is not as marked as would be expected, for the reasons already stated. In cities having one annual arrest to twenty or more inhabitants, there is a saloon for an average of 413 persons, while in cities making one arrest for less than twenty inhabitants, there is a saloon for each 350 persons. While the former group contains five no-license cities, it also includes Lasalle, which has the largest pro rata of saloons of any city studied. Frequency of arrest is hardly a mark of good order in a city, or a criterion of an efficient police force, but is frequently quite the contrary. A large income from police sources may indicate that undesirable and unlawful businesses are allowed to play their trades thru the payment of fines as tribute.

Perhaps a more satisfactory method of judging police revenue would be a comparison of the income per arrest in the several cities. This sum ranges from nothing in Joliet; twelve cents in East St. Louis, to \$5.51 in Freeport. The method of collection in East St. Louis has been commented upon, and furnishes some explanation for so small a return. On the other hand, Alton, Aurora and Jacksonville must be excluded for purposes of actual comparison since their magistrates are recompensed by salary rather than by fees.

Aside from the factors of number of arrests, and payment of police judges, there remain two others which influence municipal incomes from police departments,- the disposition of the cases presented to the magistrates and of the fees and fines assessed. Owing to the meagerness of city reports and the lack of accessible records in the police departments there is a limited amount of information upon both of these subjects. In fact it has been impossible to obtain even the number of arrests in Lasalle and Springfield, and in this latter city the desk sergeant proffessed utter ignorance of the number of merchant's police, with whom his department presumably co-operates.

The disposal of persons arrested as reported in five cities may be sufficient to show the general tendency and is as follows:

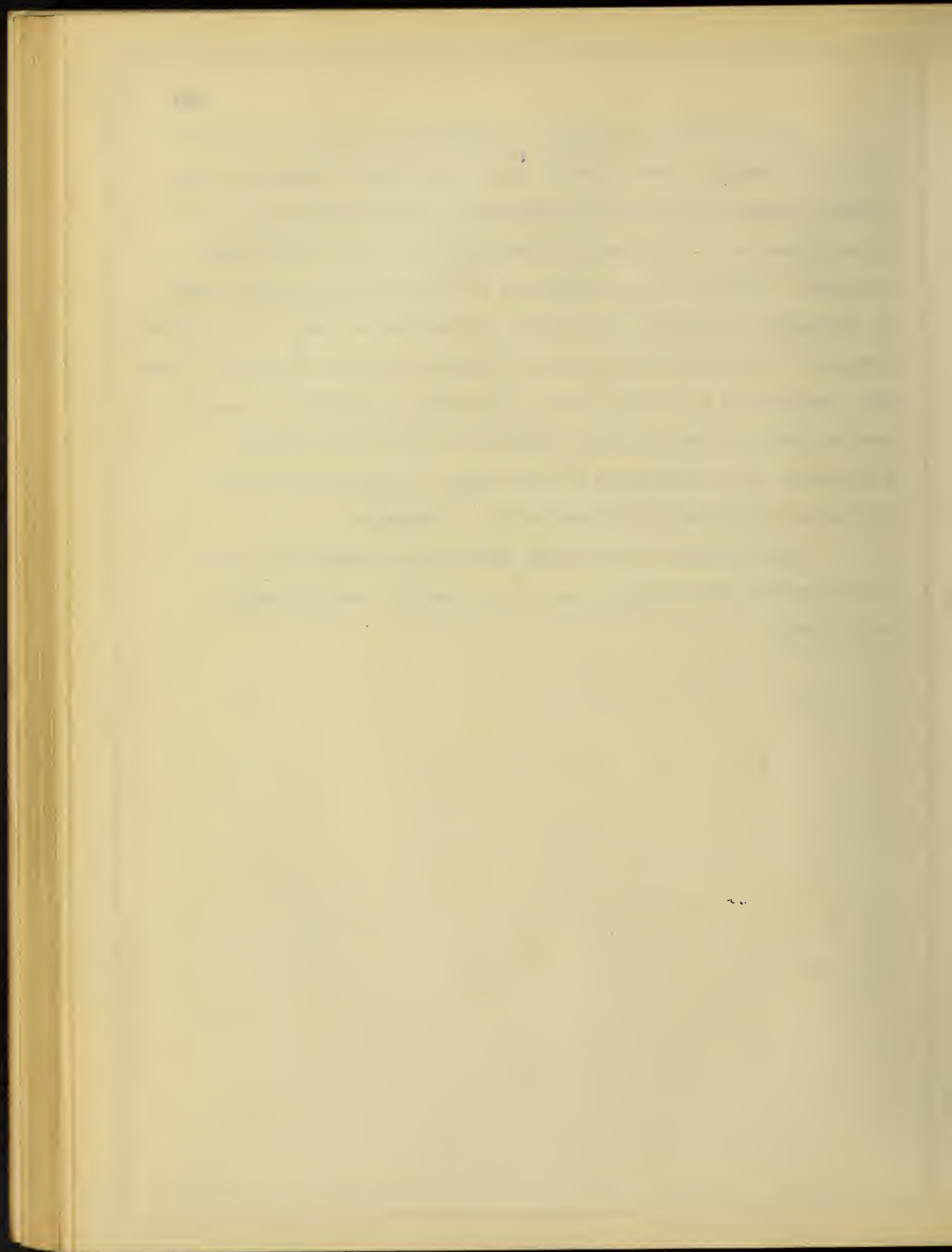


Table 11.

Disposal of arrests for 1909.

	EVANSTON.	OTTAWA.	PEORIA.	QUINCY.	ROCKFORD.
Total no. arrests.	734	425	4383	1019	1507
Fines paid in court.	410	64	1218	399	338
Cases Continued.	8	9	8	9	135
Held to other courts or grand jury.	28	11	277	92	106
Settled out of court.	22		40	3	155
Discharged on payment of costs.	79			25	
Served in jail.	22	66	531	173	266
Discharged.	158	273	2103	145	542
Otherwise disposed of.	7	2	109	173	5

Expressed in relation to the total number of arrests the fore-going table becomes:

TABLE I		TABLE II	
1	2	3	4
5	6	7	8
9	10	11	12
13	14	15	16
17	18	19	20
21	22	23	24
25	26	27	28
29	30	31	32
33	34	35	36
37	38	39	40
41	42	43	44
45	46	47	48
49	50	51	52
53	54	55	56
57	58	59	60
61	62	63	64
65	66	67	68
69	70	71	72
73	74	75	76
77	78	79	80
81	82	83	84
85	86	87	88
89	90	91	92
93	94	95	96
97	98	99	100

...

Table 12..

Disposal of arrests on a percent basis.

EVANSTON. OTTAWA. PEORIA. QUINCY. ROCKFORD. Average.

City Income per arrest.	\$4.48	\$1.40	\$1.36	\$4.03	\$1.82	
Total no. of arrests.	100%	100%	100%	100%	100%	
Fines paid in court.	55.	15.	27.8	39.2	22.2	31.8
Cases continued.	1.09	2.1	.018	.884	8.95	2.6
Held to oth- courts or grand jury.	3.87	2.6	6.34	9.1	6.7	5.7
Settled out court.	3.8		.92	.294	10.25	3.84
Discharged on Payment of costs.	10.8			2.45		6.62
Served in jail.	3.8	15.5	12.3	17.	17.2	13.1
Discharged.	21.	64.4	48.	14.2	35.8	36.7
Otherwise Disposed of.	.955	.02	2.5	17.	.035	4.

In Evanston and Quincy the per arrest income is affected in one instance by the presence of a salaried judge and in the other by heavy automobile speeding fines; but from the remaining cases it appears that there is no causal relation between the disposal of cases and income. Ottawa, which fines only 15% of those arrested receives a per arrest income of \$1.40, while Peoria with almost double the percentage of fines receives a few

CHAPTER IV

THE HISTORY OF THE

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cents less.

The most striking feature of the table is the small percentage of the cases which return a profit to the municipalities. On an average less than one third of the arrests are fined in court, while considerably more than this are discharged, dismissed, have fines suspended, or are disposed of in a fashion which would indicate that the charges are not serious or are unsubstantiated. And yet another third remains within the grasp of the law, but the prosecution does not bring an income to the city.

Concerning the costs and fines imposed, only five cities report other than the final amount turned into the city treasury. No two of these municipalities report in similar enough fashion that their reports may be tabulated.

In Aurora the total amount of fines and costs assessed was \$3,732.70 for the year 1909. Of this sum, \$228 or six percent was paid out as witness fees; \$1251 or thirty-three percent was accounted for by labor, confinement, suspension of fines, etc., leaving \$2273.30 or sixty-one percent which was paid to the city attorney. Reports of both clerk and treasurer, however, show only \$1976.45 received by the city during the year, or fifty-three percent of the amount assessed. Against this the city appropriated \$1124.50 to the police magistrate and \$1250 as salary to the judge of the city court, which sums are about four hundred dollars in excess of the income from police sources.

The amount of fines assessed in Bloomington, for the

year 1909 was \$7214.20, of which \$3538.50 or 49% was fines; 2766.70 or 38% was magistrates costs, and \$913 or 13% was police costs. Of this total amount assessed \$2805.83 or 39% was not collected or was offset by confinement; 2762.70 or 38% went to the magistrate as fees, leaving 1645.67 or 23% to the city treasury.

The Rockford report is for a period of six months only, and shows \$3907.30 assessed, of which 2859.50 or 73% was as fines and \$1047.80 or 27% was as costs. This may be compared with 49% and 51% for these respective items in Bloomington. Of the total amount assessed in Rockford, \$2713.85 or 70% went uncollected; \$410.40 or 10% was collected as costs, while the share of the city was \$783.05 or 20%.

The total amount of fines and costs in Peoria for the year 1909 was \$19,545.40, of which \$10,933 or 57% was accounted for by imprisonment, appeals, outstanding or suspended fines. The magistrate collected \$8612.40 of which he turned \$5052.10 or 26% into the city treasury. In Streator \$2,580.94 was imposed as fines, of which \$1258.46 or 48% was served, worked out, or dismissed; while \$1280.94 or 52% was collected.

It is of interest to note, that with the exception of the last named city and Aurora, the shares of the municipalities did not have a variation of more than 6% of the total, being 20% in Rockford, 23% in Bloomington and 26% in Peoria. Yet the sum which was uncollected was extremely variable, -33% in Aurora, 39% in Bloomington, 48% in Streator, 57% in Peoria, and 70% in Rockford.

Table 13.

61.

Statistics on Strength of Police Force, Number of Arrests,
City Income per Arrest, Population per Officer, etc., for 1909.

	<i>Am't to treasury</i>	<i>No. of arrests</i>	<i>No. of force</i>	<i>City income per arrest</i>	<i>No. of arrests per officer</i>	<i>Pop. per arrest</i>	<i>Pop. per officer</i>
Alton	\$1657	350	17	\$4.73	20	50	1030
Aurora	1976	849	22	2.32	38	34	1355
Belleville	560	438	15	1.05	29	59	1740
Bloomington	1702	1351	36	1.26	37	19	721
Champaign			8				1550
Danville	7401	3655	45	1.92	81	7	620
Decatur	5391	2601	27	2.07	96	12	1160
E. St. Louis	1219	10000	75	.12	133	7	910
Elgin	683	642	19	1.06	33	40	1365
Evanston	3293 ¹	734	29	4.48	25	25	860
Freeport	4433	804	12	5.51	67	22	1465
Galesburg	3102	837	12	3.70	69	27	1925
Jacksonville	1836	431	8	4.26	54	35	1910
Joliet	None ²	1836	39	None	47	19	895
LaSalle	432 ⁴	300 ⁵	9	1.40 ⁶	30 ⁶	33 ⁶	1100
Moline	416	922	19	.45 ⁷	48	26	1273
Ottawa	595	425	5	1.40	85	26	2200
Peoria	5983	4383	95	1.36	46	15	703
Quincy	4106 ³	1019	34	4.02	30	35	1073
Rockford	1249	1515	36	.82	42	29	1260
Rock Island	3364	1059	20	3.18	52	24	1300
Springfield	5890 ⁴		56				910
Streator	941	296	13	3.18	22	53	1205
Urbana	328	163	4	2.01	40	50	2300

The following is a list of the names of the persons who have been
 elected to the office of the President of the United States, from
 1789 to 1892, in the order in which they were elected.

1789	George Washington	1801	James Madison
1793	Thomas Jefferson	1805	James Monroe
1797	John Adams	1809	James Madison
1801	Thomas Jefferson	1813	James Monroe
1805	James Monroe	1817	James Madison
1809	James Madison	1821	James Monroe
1813	James Monroe	1825	James Madison
1817	James Madison	1829	James Monroe
1821	James Monroe	1833	James Madison
1825	James Madison	1837	James Monroe
1829	James Monroe	1841	James Madison
1833	James Madison	1845	James Monroe
1837	James Monroe	1849	James Madison
1841	James Madison	1853	James Monroe
1845	James Monroe	1857	James Madison
1849	James Madison	1861	James Monroe
1853	James Monroe	1865	James Madison
1857	James Madison	1869	James Monroe
1861	James Monroe	1873	James Madison
1865	James Madison	1877	James Monroe
1869	James Monroe	1881	James Madison
1873	James Madison	1885	James Monroe
1877	James Monroe	1889	James Madison
1881	James Madison	1892	James Monroe

Table 13 (Continued.)

- 1,- \$1832 of the sum is from automobile speeding fines. The average fine for this offence was \$23.58.
- 2,- So stated by the city clerk in answer to a direct question. There is no such item in the report of either the clerk or treasurer; so probably fines are applied to a pension or similar fund.
- 3,- Judge is on a salary basis.
- 4,- See text, page .
- 5,- Estimated from the number of cases tried in the municipal court.
- 6,- Estimated.
- 7,- Salary of Judge limited to \$600 per year.

1. The first of these is the

2. The second of these is the

3. The third of these is the

4. The fourth of these is the

5. The fifth of these is the

6. The sixth of these is the

7. The seventh of these is the

8. The eighth of these is the

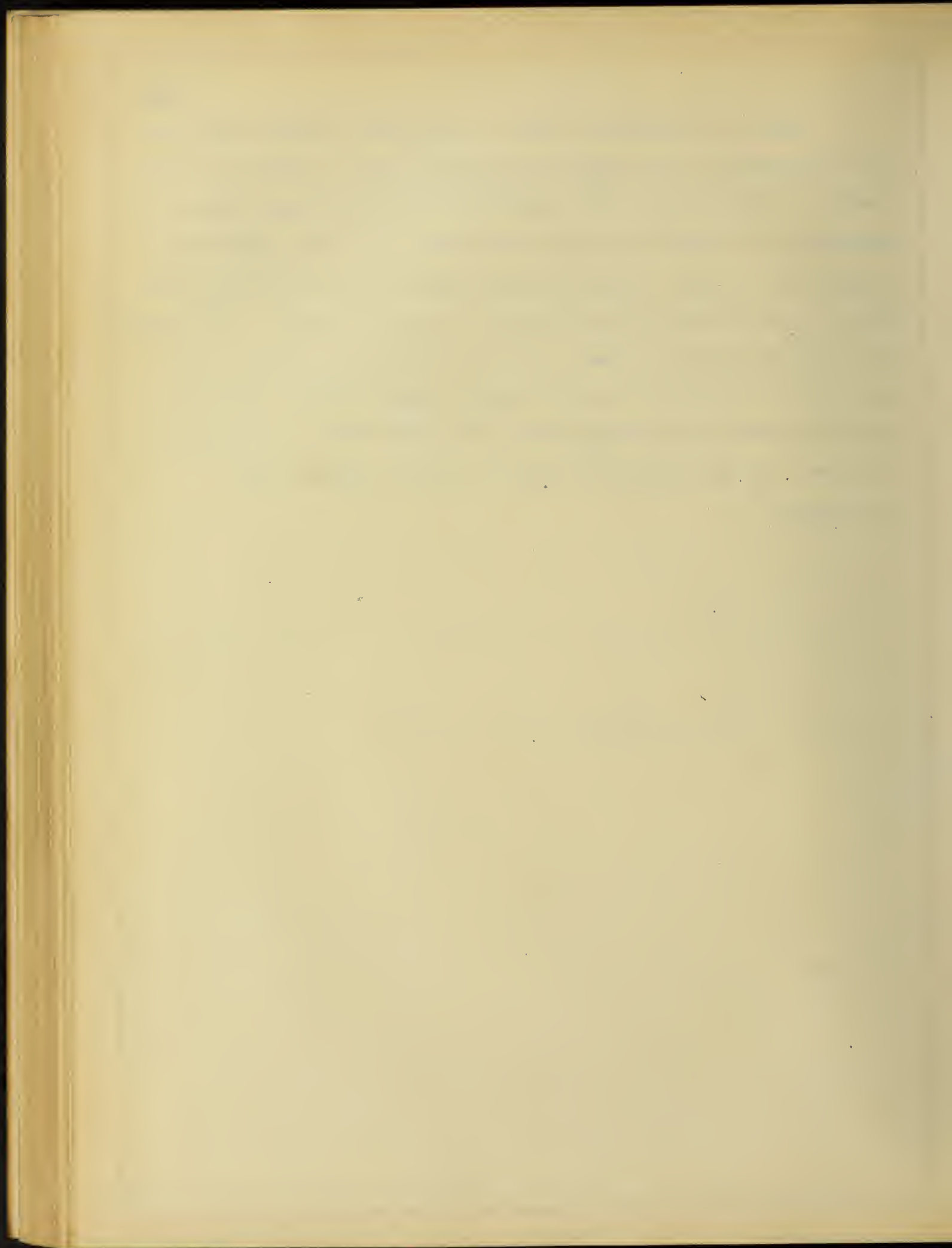
9. The ninth of these is the

10. The tenth of these is the

11. The eleventh of these is the

12. The twelfth of these is the

Thus it is apparent, that to the causes already given for the smallness of city returns from arrests, may be added those of laxity in fining and in the collection of fines by magistrates, in some cases the rather large stipends which go to the magistrates in the form of fees, and finally the large amount of arrests which fail to come within the jurisdiction of the city courts. Realising that the police are for ~~the~~ protection and not for revenue, yet the city is entitled to an intelligent annual report from the chief of police and the magistrate, which will show the disposal of cases, and the amount of fines and costs, assessed and collected.



CHAPTER III

GIFTS, GRANTS AND SUBVENTIONS.

State Grants.

By far the most important item falling within this group of revenues is that of state grants to schools. Each county is paid its proportionate share of the state school tax, upon the basis of inhabitants under twenty-one years of age. To this is added a share of the income from the sales of public lands within the state, plus a part of the interest on the surplus revenues distributed to the states in 1837. Warrants for the share of each county in this fund are issued to the county superintendents who present them to the county treasurers for payment. These warrants are turned over to the state and apply as cash on the county share of the state school taxes. The county superintendents distribute the funds to the superintendents of the school districts.

In table 14 is an exhibit of the sums received by the school district or districts in which the cities named are located. The cities and the districts are seldom exactly coextensive, but the consequent bias in the figures is neither large nor important. It is quite possible that the amounts returned to the cities are not as large as the sums collected in State taxes for these purposes, but such would not be apparent except thru a detailed comparison of city and country wealth and population.

Endowment Income.

Income from endowments was found in only four of the cities considered, and was an inconsiderable sum in all but one

Table 14.

School Revenues for 1909.

65.

	State Grants	Tui- tion	Taxes. ¹	Endow'mt Income	Other Income	Total Income	Amt.of Endow.
Alton	\$3391	\$1837	\$82,275	\$200		\$87,503	\$4000
Aurora	4870	1622	113,198			119,690	
Belleville	2277	396	78,740		\$ 53	81,467	
Bloomington	4406	1037	123,319		1810	130,572	
Champaign	923	11	69,346	320		70,600	6400
Danville							
Decatur							
E. St.Louis	6942	763	255,029		506	263,241	
Elgin	2872	497	147,852		42	152,263	
Evanston							
Freeport	1592	979	86,318		1307	90,133	
Galesburg	3135	2010	77,000	200		82,345	No Data.
Jacksonville	2403	1361	82,000			85,764	
Joliet	7319	223	197,090			204,132	
LaSalle							
Moline	2885	584	135,000		202	138,670	
Ottawa	1796	44	40,403		95	42,339	
Peoria	10919	608	379,381	6939	2752	400,600	No Data.
Quincy							
Rockford	6118	3243	182,908		541	192,811	
Rock Island	3402	973	114,803		1329	129,106	
Springfield	7562	1739	275,000		86	284,357	
Streator							
Urbana	1700	890	5400			56,590	

1. Amount Extended.

of these. Peoria has an endowment of nearly \$7000. The source of these endowments was funds distributed by the state to the local districts. Only in exceptional instances were these funds preserved intact, the income to be paid annually to the districts entitled to it.

Tuition

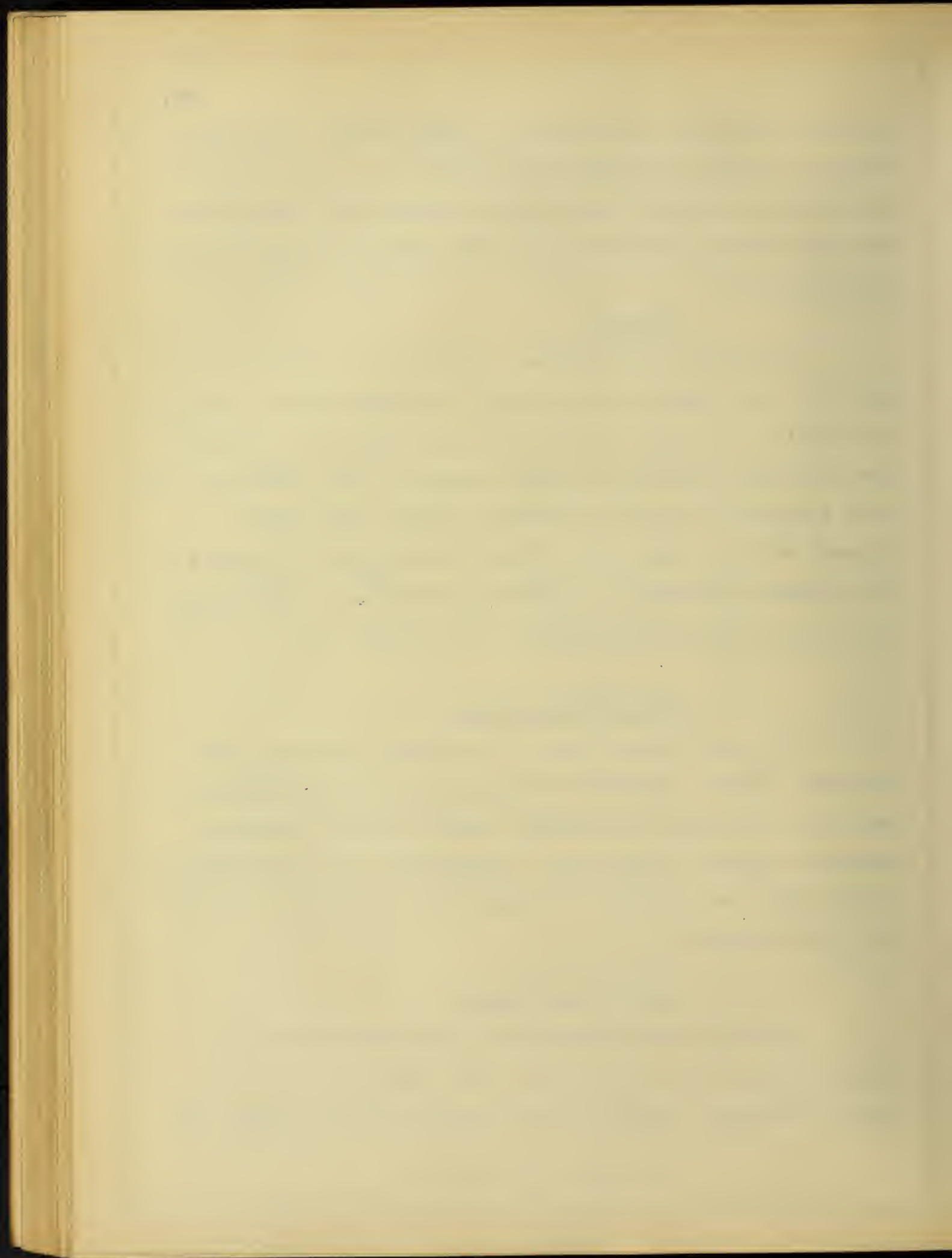
Tuition is in its nature a commercial revenue but is mentioned here since it is desirable to consider school revenues as an entity. The sums received from this source have an extensive variation, ranging from almost nothing to over \$3000 per year, as in Rockford. A number of districts receive more than a thousand dollars a year. The returns are naturally influenced by the presence or absence of a township highschool tho the tuition received from the grammar schools is not unimportant.

Miscellaneous Income.

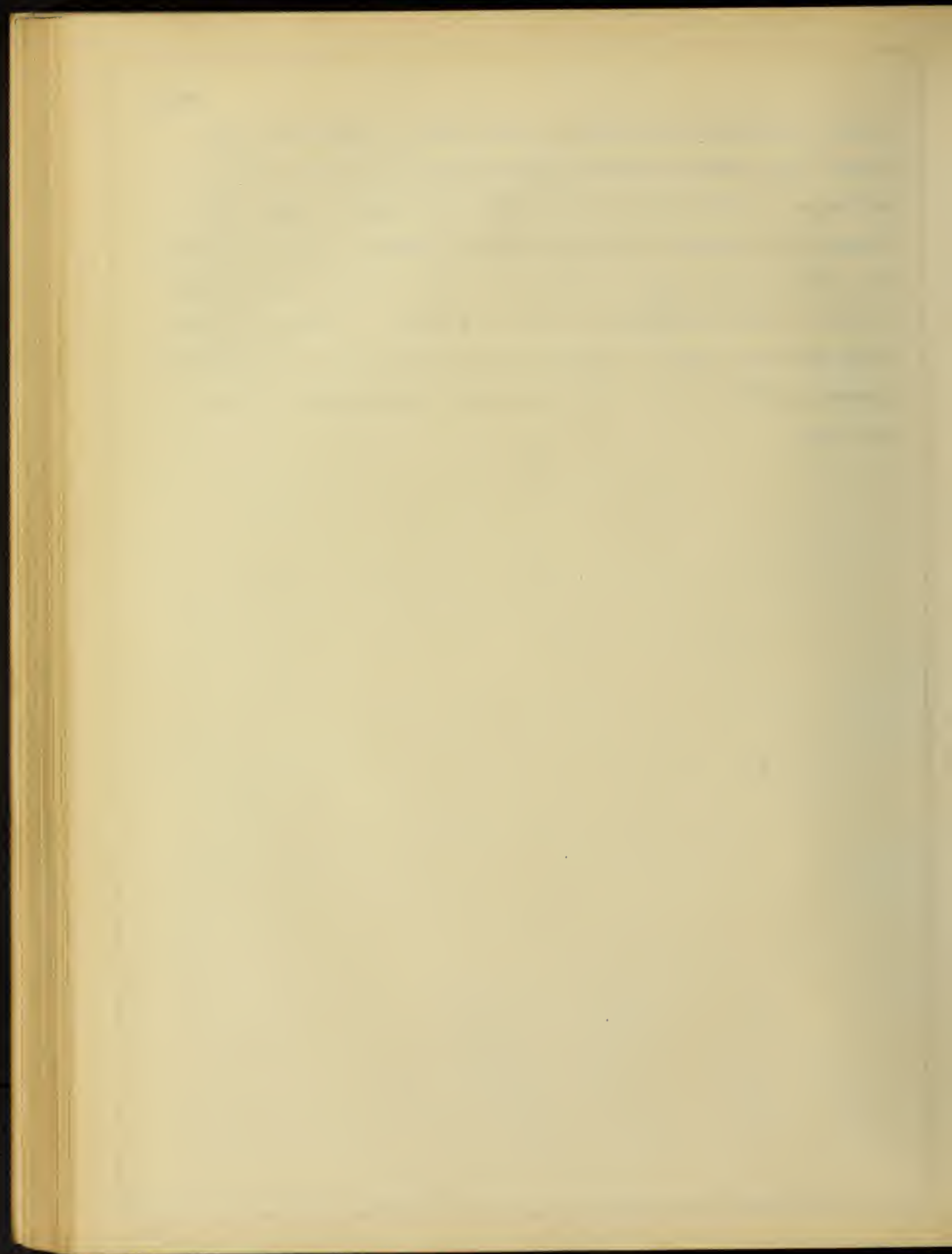
The miscellaneous fund of the school districts needs no comment since it consists of practically the same revenues as does the similar fund in municipal budgets, -rebated insurance premiums, receipts in error, etc. In addition, the school districts receive the fines imposed in the county for violations of other than city ordinances.

Gifts by Individuals.

Nearly every city receives occasional donations of money or property of considerable value, usually for some designated purpose. The gifts from libraries and the revenue from



library endowments have already been noted. During the last fiscal year several municipalities received gifts for other purposes, or the revenues from gifts of an earlier date. To Evanston was donated property for park purposes valued at \$20000, and a play ground valued at \$12,000. Prior to this the city had received a park and museum valued at \$40,000. Jacksonville was given \$100 as a special memorial fund, while Aurora received the income on \$6500, to be used towards the establishment of an orphanage.



CHAPTER IV.

REVENUES FROM SERVICES RENDERED.

Fees.

Table 15 is an exhibit of the collections of the several cities from miscellaneous sources for the year 1909. The first columns state the receipts from fees and inspections, tho the returns lack absolute accuracy owing to frequent confusion with departmental receipts, or inclusion in the miscellaneous fund. the table, will, however, indicate the relatively large amounts which may be secured by a systematic collection of fees, - impositions which incur small complaint, yet materially assist in the adequate enforcement of building ordinances, water charges, etc.

Bloomington, East St.Louis, Evanston, Peoria and Springfield derive an income from fees which very nearly equals in amount that from general licenses. On the other hand seven cities fail to avail themselves of this productive source of income.¹

-
1. Some revenue from this source may be included in "miscellaneous returns", but if this so it is small in amount.

THE HISTORY OF THE

1700	1701	1702	1703	1704	1705	1706
1707	1708	1709	1710	1711	1712	1713
1714	1715	1716	1717	1718	1719	1720
1721	1722	1723	1724	1725	1726	1727
1728	1729	1730	1731	1732	1733	1734
1735	1736	1737	1738	1739	1740	1741
1742	1743	1744	1745	1746	1747	1748
1749	1750	1751	1752	1753	1754	1755
1756	1757	1758	1759	1760	1761	1762
1763	1764	1765	1766	1767	1768	1769
1770	1771	1772	1773	1774	1775	1776
1777	1778	1779	1780	1781	1782	1783
1784	1785	1786	1787	1788	1789	1790
1791	1792	1793	1794	1795	1796	1797
1798	1799	1800	1801	1802	1803	1804
1805	1806	1807	1808	1809	1810	1811
1812	1813	1814	1815	1816	1817	1818
1819	1820	1821	1822	1823	1824	1825
1826	1827	1828	1829	1830	1831	1832
1833	1834	1835	1836	1837	1838	1839
1840	1841	1842	1843	1844	1845	1846
1847	1848	1849	1850	1851	1852	1853
1854	1855	1856	1857	1858	1859	1860
1861	1862	1863	1864	1865	1866	1867
1868	1869	1870	1871	1872	1873	1874
1875	1876	1877	1878	1879	1880	1881
1882	1883	1884	1885	1886	1887	1888
1889	1890	1891	1892	1893	1894	1895
1896	1897	1898	1899	1900	1901	1902
1903	1904	1905	1906	1907	1908	1909
1910	1911	1912	1913	1914	1915	1916
1917	1918	1919	1920	1921	1922	1923
1924	1925	1926	1927	1928	1929	1930
1931	1932	1933	1934	1935	1936	1937
1938	1939	1940	1941	1942	1943	1944
1945	1946	1947	1948	1949	1950	1951
1952	1953	1954	1955	1956	1957	1958
1959	1960	1961	1962	1963	1964	1965
1966	1967	1968	1969	1970	1971	1972
1973	1974	1975	1976	1977	1978	1979
1980	1981	1982	1983	1984	1985	1986
1987	1988	1989	1990	1991	1992	1993
1994	1995	1996	1997	1998	1999	2000

Table 15.

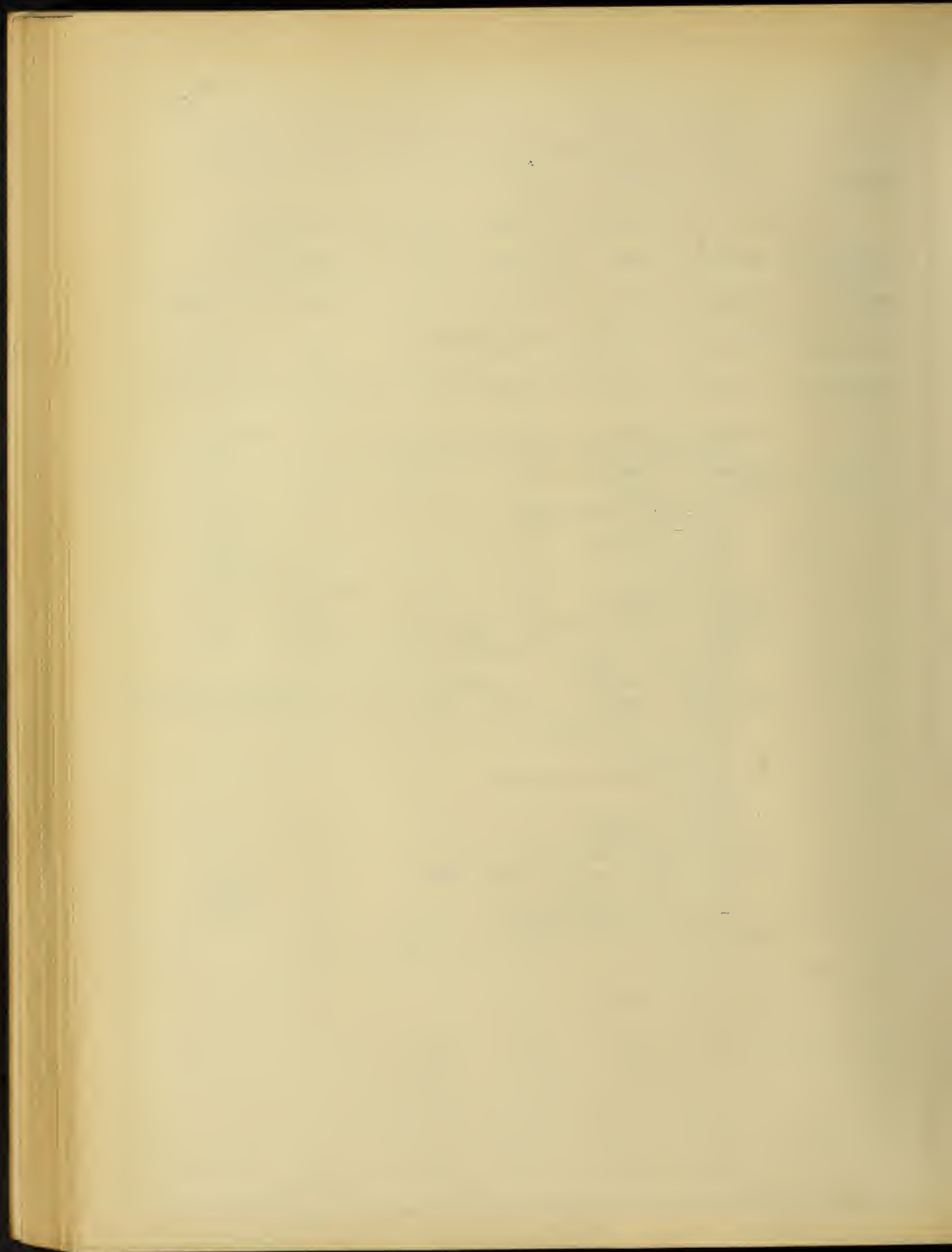
Receipts from Fees, Charges and Other Miscellaneous Sources for 1909

	Fees.	Inspec- tions.	Total.	Charges	Sale of Property	Misc.
Alton	None	None	None	None	None	232
Aurora	None	None	None	4329	None	398
Belleville	1037	None	1037	413	None	None
Bloomington	1022	1390	2412	2256	476	3169
Champaign	117	104	221	None	None	None
Danville	363	None	363	None	None	46
Decatur	166	1797	1962	853	238	None
E. ST. Louis	2087	1406	3493	266	None	None
Elgin	50	128	178	90	441	87
Evanston	2370	1205	3575	7583	Inc'l.	2377
Freeport	None	None	None	1223	3817	383
Galesburg	None	110	110	13	400	602
Jacksonville	45	None	45	115	None	2115
Joliet	186	1075	1261	338	1307	None
LaSalle	None	None	None	254	28	None
Moline	None	788	788	None	None	None
Ottawa	None	343	343	None	None	1324
Peoria	2725	1285	4010	3135	174	650
Quincy	None	None	None	108	1371	62
Rockford	None	1510	1510	389	207	15172
Rock Island	340	1074	1414	None	None	571
Streator	None	None	None	None	144	774
Springfield	1544	478	2022	388	72	No data
Urbana	None	None	None	None	None	None

Of the cities using fees extensively, Evanston may be cited as¹
presenting the most effective system.

There is a tendency to make the stipend of certain offices the amount of fees collected, and while such do not amount to sinecures in the smaller cities, the taxpayer is unable to estimate the real cost of city government.

1. Sewer permits	\$5.00
Reconstruction and alterations	.50
Sidewalk permits	
Water permits	
One-half inch taps	5.00
Five-eighths "	6.00
Three-fourths "	8.00
One inch "	10.00
Alterations	1.00 to 4.00
Street permits	
Electrical construction permits	.50
New wiring	
Electric signs	<i>Rate of inspection</i>
Line construction	<i>varies.</i>
Building permits	<i>\$.50 plus 1% of 170% of estimated cost.</i>
Brick residences	
Frame residences	
Alterations	
Commercial buildings	
Depots	
Sheds and barns	
Miscellaneous	
House movers permits	
One and one-half story frame	10.00
Two story frame	20.00
Moving in same block	2.00
Electrical inspections.	<i>varies.</i>



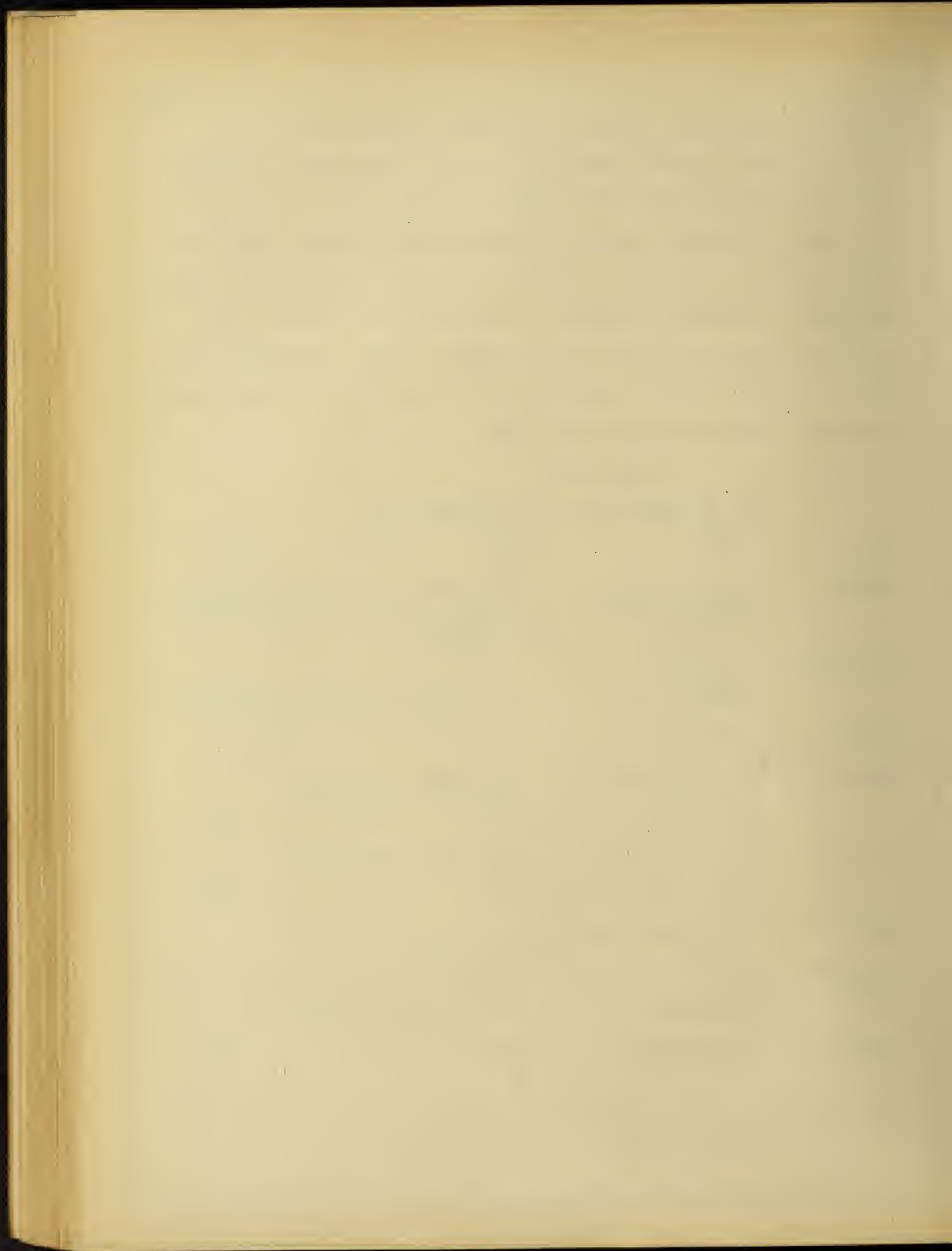
Usually in compliance with an ordinance, the holders of fee offices render an annual report to the city government, stating the amount of the collections, and the amount over the retention for salary. Rarely, however, do these reports comply with the constitutional requirement that they be made semi-annually, stating under the amounts received.² Table XVI is a partial list of the fee offices in some of the larger cities, indicating the extent to which fees are employed in the payment of officers, and the manner in which reports are made.

Table 16.

Fee Offices and Method of Reporting.

City.	Office.	Income.	Payments	Salary.
AURORA	Boiler Inspt. Plumbing Inspt. Oil Inspt.	No report for these officers in the annual report. Statement of inspection but not of cash received.		
BLOOMINGTON	Oil Inspt? Weigher? Poundmaster?	No report for these officers in the annual report of the city.		
OTTAWA.	Pluming Brd.	No report of cash taken in.		
PEORIA.	City collector. Oil Inspect. Boiler Inspt. Weights and measure inspt. Exam. Electrician Exam. Elevator Opert	No report published. No report published. \$1039 No report published. \$501 \$117	 \$103. 410 \$51	 \$935 90 \$66
QUINCY.	Weight and Measure Inspt.	No report.		
JOLIET	City Collector Oil Inspt.	Extensive report published but no report of income.		
ROCKFORD.	Pluming Brd.	\$481.	\$32	\$449

1. Const. of 1870 Art.10 Par.9.



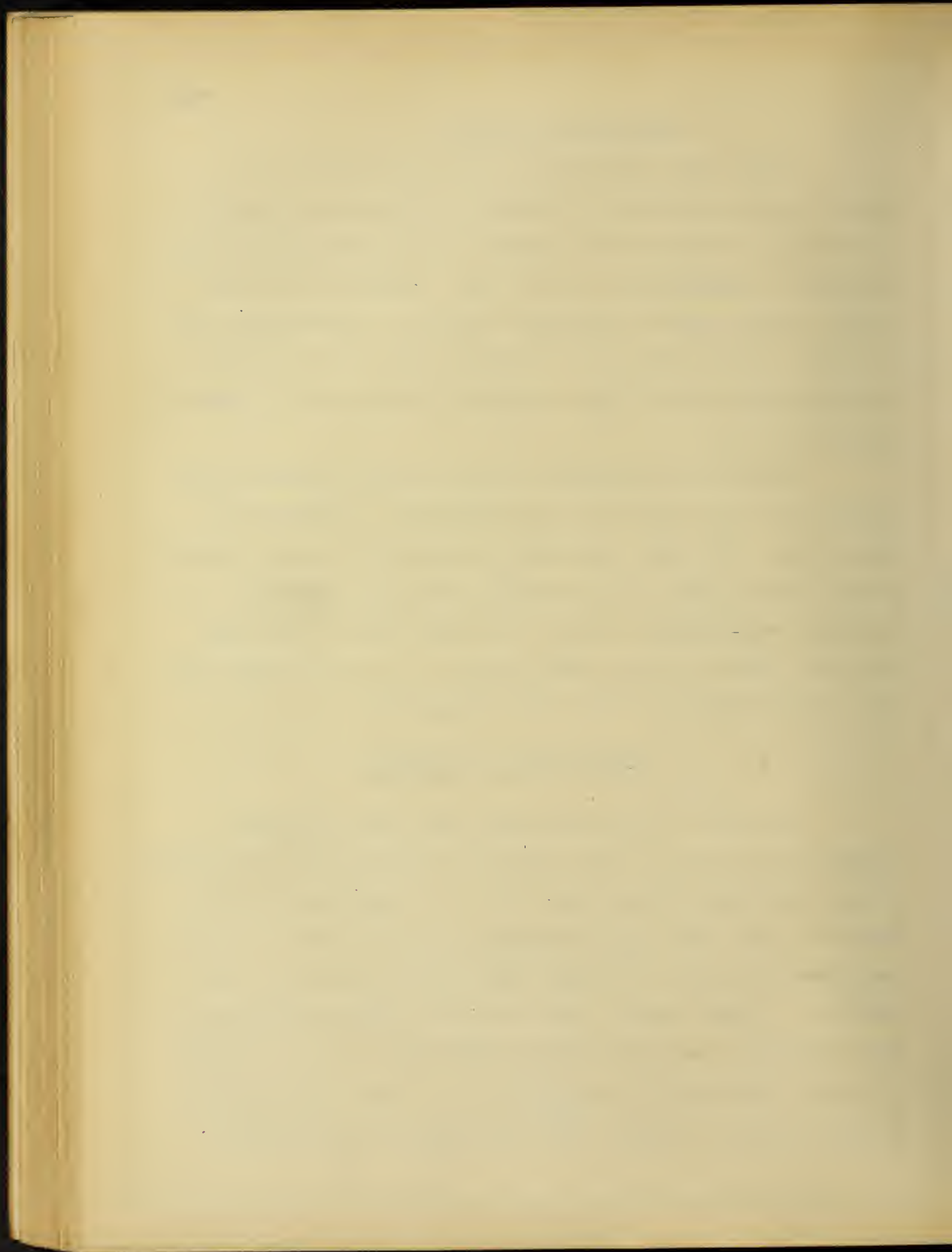
Departmental Receipts.

Income from departmental charges and the sale of public property is offset by the cost of the service rendered or by the value of the property disposed of, thus does not directly increase the spending power of the city. Among the most important charges made are those for openings in pavements, sale of crushed stone, meters, etc; altering water and sewer pipes, caring for prisoners of other districts; and the sale of junk and obsolet machinery.

Miscellaneous receipts include in some instances fees, charges and income from the sale of property, or portions of these funds. The major porportion of the fund, however, consists of the odds and ends of city revenues, refunded insurance premiums, over-charges returned, corrected errors in the pay rolls, etc. None of these funds are open to increase except that which might arise from a more thror accounting.

Public Service Priviliges.

Fourteen of the twenty-four cities here discussed receive remuneration in some measure for public service franchises granted. No municipality taxes all of the franchises in force within it, and in all, only twenty-six franchises out of over one hundred and fifty, or about 17%, involve payments to the grantors. Of this number, five are street railway priviliges in which the tax is only from \$5.00 to \$25.00 per car in continuous operation, amounting in all but one case to only a few hundred dollars per year. East St. Louis the exception receives \$1600



from this source.

Nine of the franchise payments are based upon a percentage of the receipts, the lowest being 1% of the net city telephone receipts in Quincy, and the highest, 5% of the gross interurban receipts in Belleville. The predominant figure is 2% of the gross receipts which prevails in seven cases, in two of which it will become 4% after ten years of operation. Similarly, two of the telephone franchises pay on a revenue basis, that is, one dollar per telephone, which amounts roughly to 5% of the gross receipts.

Some of the utility companies pay a cash sum ranging from \$500 to \$2000 per year. Such payments do not allow for the growth in value of the franchise and probably are not as large as would be realized by a percentage tax. For example, Bloomington (26,000 pop.) receives by a 2% tax upon the gross receipts of the street railway, \$3400; Joliet (35,000 pop.) receives a cash payment of only \$1000. Peoria (67,000 pop.), the largest city of the group, receives a flat telephone tax of \$500, a sum which is exceeded by every telephone tax of every kind, except in one city, - Alton.

Three municipalities, Aurora, Joliet, and Rockford, have recognized the importance of franchises as a source of revenue by each assessing three or more utilities, with a resulting income of over three thousand dollars to each city. Springfield receives a similar sum by a single 2% tax on the street railway receipts. The remaining cities have adopted franchise payments in a desultory fashion. Having no knowledge

of what constitutes a reasonable rate and urged on by a desire to increase property values and build up the city, the greater part of the franchises have been given away for long terms and almost without cost.

A marked exception to the above statement is Aurora, which in addition to the annual charges noted in table 17 made the following initial charges for franchises granted: street railway \$30,000 plus \$3641 as damages and attorney's fees; gas and electric. \$25,000 to a fund for the erection of a new bridge; and interurban, \$25,000. That public service corporations can afford to pay as large sums as there in addition to a proportion of their annual receipts, for the privilege of operation, is ample evidence of the reasonableness of any franchise taxes noted in the foregoing tables.

Under condition of the legislative regulation by which the price of a public utility commodity would be such as to pay only the cost of production and a reasonable return upon the actual capital invested, any payment for the privilege of operation can but increase prices to the consumer. Under the present system in Illinois, except for a very limited and unscientific control by city councils, the price of a utility commodity is "all that traffic will bear". That is, where the units consumed multiplied by the margin of profit will give the greatest return; and if the price is lowered it is because an increased consumption will more than offset the loss involved. Under such methods of fixing the price, any payment required for the franchise will be upon the profits of the company and cannot cause an increase in cost to the consumer.

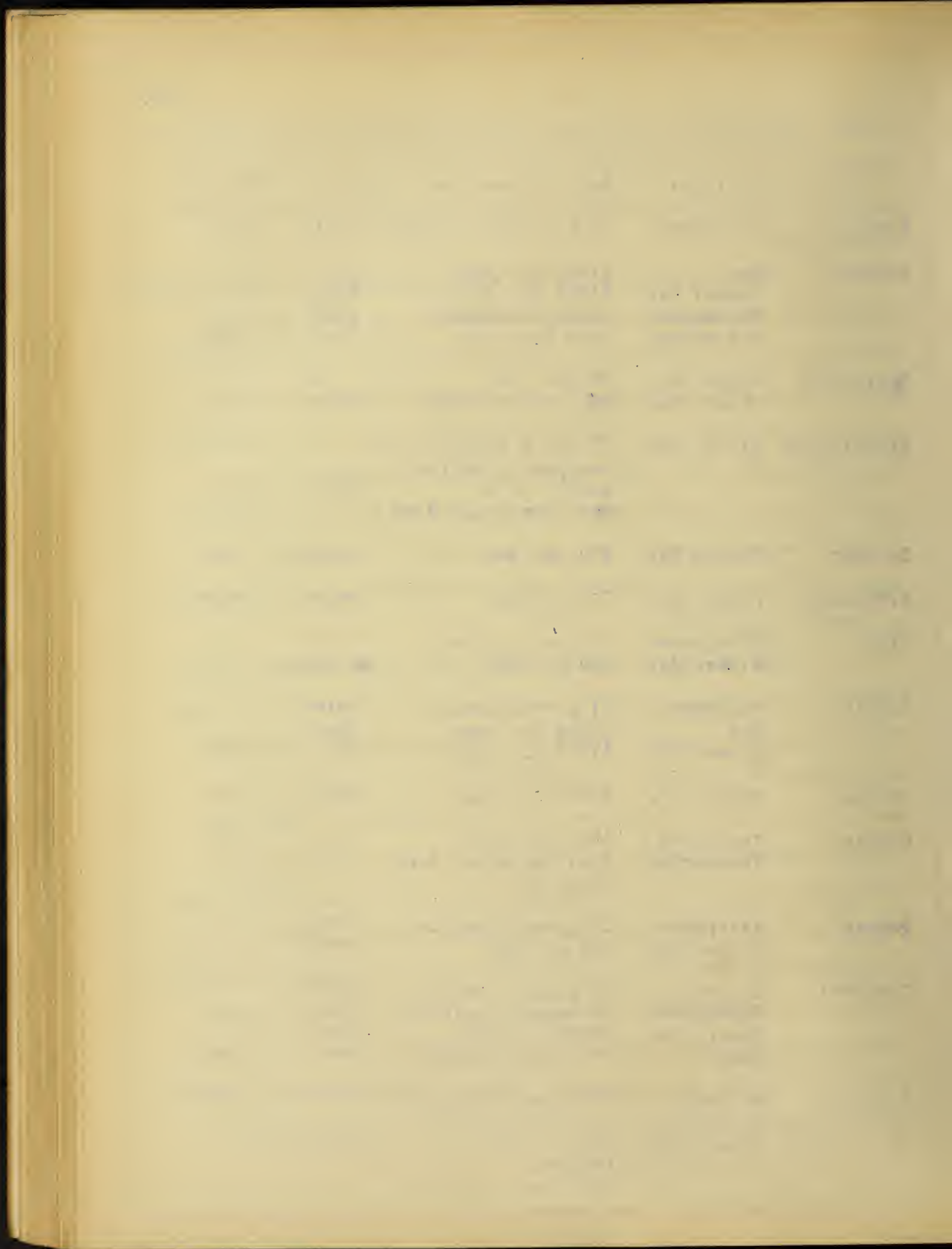


Table 17.

75.

Rates; and Income from Franchise ^{Payments} Taxes for 1909.

	Utility.	Rate of ^{Payment} Taxation.	Income	Total.
Alton	Telephone	1% net city receipts	\$221	\$221
Aurora	Gas	\$1000 per year.	1000	4037
	Street Ry.	\$1000 per year.	1000	
	Telephpne	\$1 per telephone	1537	
	Interurban	\$500 per year	500	
Belleville	Street Ry.	\$5 per car	55	1158
	Interurban	5% gross receipts	1103	
Bloomington	Street Ry.	2% gross receipts for ten years, minimum amount to be Next ten years @ 4%	3400	3400
Decatur	Street Ry.	\$10 per car	150	150
E.St.Louis	Street Ry.	\$25 per car	1600	1600
Elgin	Telephone	\$1 per telephone	612	No data.
	Street Ry.	\$10 per car		
Joliet	Telephone	\$1 per telephone	1317	3317
	Gas	\$1000 per year	1000	
	Street Ry.	\$1000 per year	1000	
Ottawa	Street Ry.	\$2000 per year	2000	2000
Peoria	Telephone	\$500 per year	500	500
	Interurban	Five cents per terminal car		
Quincy	Telephone	2% gross receipts	963	
	Street Ry.	\$20 per car	320	
Rockford	Electric	2% gross receipts ²	(900)	3320
	Telephone	2% gross receipts	760	
	Interurban	\$2000 per year	2000	
	Heat	2% gross receipts	560	
Streator	Electric	2% gross receipts	372	372
Springfield	Street Ry.	\$10 per car	300	3619
		2% gross receipts for ten years, ten 4%	3319	

1&2. Not enforced in 1909.

Table showing the results of the various experiments conducted during the year 1900.

Experiment	Material	Time	Result	Remarks
1	Iron	10 min	1000	Normal
2	Iron	20 min	1000	Normal
3	Iron	30 min	1000	Normal
4	Iron	40 min	1000	Normal
5	Iron	50 min	1000	Normal
6	Iron	60 min	1000	Normal
7	Iron	70 min	1000	Normal
8	Iron	80 min	1000	Normal
9	Iron	90 min	1000	Normal
10	Iron	100 min	1000	Normal
11	Iron	110 min	1000	Normal
12	Iron	120 min	1000	Normal
13	Iron	130 min	1000	Normal
14	Iron	140 min	1000	Normal
15	Iron	150 min	1000	Normal
16	Iron	160 min	1000	Normal
17	Iron	170 min	1000	Normal
18	Iron	180 min	1000	Normal
19	Iron	190 min	1000	Normal
20	Iron	200 min	1000	Normal
21	Iron	210 min	1000	Normal
22	Iron	220 min	1000	Normal
23	Iron	230 min	1000	Normal
24	Iron	240 min	1000	Normal
25	Iron	250 min	1000	Normal
26	Iron	260 min	1000	Normal
27	Iron	270 min	1000	Normal
28	Iron	280 min	1000	Normal
29	Iron	290 min	1000	Normal
30	Iron	300 min	1000	Normal
31	Iron	310 min	1000	Normal
32	Iron	320 min	1000	Normal
33	Iron	330 min	1000	Normal
34	Iron	340 min	1000	Normal
35	Iron	350 min	1000	Normal
36	Iron	360 min	1000	Normal
37	Iron	370 min	1000	Normal
38	Iron	380 min	1000	Normal
39	Iron	390 min	1000	Normal
40	Iron	400 min	1000	Normal
41	Iron	410 min	1000	Normal
42	Iron	420 min	1000	Normal
43	Iron	430 min	1000	Normal
44	Iron	440 min	1000	Normal
45	Iron	450 min	1000	Normal
46	Iron	460 min	1000	Normal
47	Iron	470 min	1000	Normal
48	Iron	480 min	1000	Normal
49	Iron	490 min	1000	Normal
50	Iron	500 min	1000	Normal
51	Iron	510 min	1000	Normal
52	Iron	520 min	1000	Normal
53	Iron	530 min	1000	Normal
54	Iron	540 min	1000	Normal
55	Iron	550 min	1000	Normal
56	Iron	560 min	1000	Normal
57	Iron	570 min	1000	Normal
58	Iron	580 min	1000	Normal
59	Iron	590 min	1000	Normal
60	Iron	600 min	1000	Normal
61	Iron	610 min	1000	Normal
62	Iron	620 min	1000	Normal
63	Iron	630 min	1000	Normal
64	Iron	640 min	1000	Normal
65	Iron	650 min	1000	Normal
66	Iron	660 min	1000	Normal
67	Iron	670 min	1000	Normal
68	Iron	680 min	1000	Normal
69	Iron	690 min	1000	Normal
70	Iron	700 min	1000	Normal
71	Iron	710 min	1000	Normal
72	Iron	720 min	1000	Normal
73	Iron	730 min	1000	Normal
74	Iron	740 min	1000	Normal
75	Iron	750 min	1000	Normal
76	Iron	760 min	1000	Normal
77	Iron	770 min	1000	Normal
78	Iron	780 min	1000	Normal
79	Iron	790 min	1000	Normal
80	Iron	800 min	1000	Normal
81	Iron	810 min	1000	Normal
82	Iron	820 min	1000	Normal
83	Iron	830 min	1000	Normal
84	Iron	840 min	1000	Normal
85	Iron	850 min	1000	Normal
86	Iron	860 min	1000	Normal
87	Iron	870 min	1000	Normal
88	Iron	880 min	1000	Normal
89	Iron	890 min	1000	Normal
90	Iron	900 min	1000	Normal
91	Iron	910 min	1000	Normal
92	Iron	920 min	1000	Normal
93	Iron	930 min	1000	Normal
94	Iron	940 min	1000	Normal
95	Iron	950 min	1000	Normal
96	Iron	960 min	1000	Normal
97	Iron	970 min	1000	Normal
98	Iron	980 min	1000	Normal
99	Iron	990 min	1000	Normal
100	Iron	1000 min	1000	Normal

In addition to the payments mentioned, corporations of a certain nature are required to furnish limited free service to the cities in which they operate. Electric light companies usually give free light to the city hall, and occasionally to the fire stations. Telephone companies furnish from six to eighteen free instruments and charge for any amount stipulated in the franchise; in addition to paving within their tracks and sprinkling the right of way, street car companies extend free transportation to numerous city officials. It is difficult to estimate the value of such services, but they exist in every municipality, and are probably worth from \$100 to \$500 per year.

Table 18 is a statement of the dates of grant and expiration of the larger proportion of the franchises in force in the cities under consideration, and from it may be estimated the possibilities of franchise revenue being secured. Cities renewing franchises will be less considerate than when making the earlier grants for quite obvious reasons. The inclination to encourage new enterprises by liberal terms is instanced by the large number of interurban franchises which have been issued in the last few years,- the majority of which extend for fifty years and are not subject to any special franchise payment.

Of 178 public utilities operating in 24 cities, data was secured on the length of franchise in 111 cases. In addition, 14 plants were municipal; seven were operating without a franchise, either normally, or pending settlement with the city; and in five cases only the date of expiration was ascertained. Of the 111

Table 18.

Date of Grant and Expiration of Franchises.

77.

	Gas		Water		Electric		Street Ry.	
	Grant	Expir.	Grant	Expir.	Grant	Expir.	Grant	Expir.
Alton		1913		1907 1997		1913		
Aurora	1908	1958	Municipal		1908 1958		1909 1929	
Belleville	1868	Perp.		1907 1932	1889 Perp.		1893 1919	
Bloomington	1889	Perp	Municipal		1909 1929		1909 1929	
Champaign	1868	Perp.		1909 1939	With out			
Danville	1870	Perp.		1907 1932	1884		1898 1928	
Dacatur	1896	1995	Municipal		1893 1913		1901 1921	
E.St. Louis	1868	Perp.		1885 1915			1894 1914	
Elgin	1868	1909	Municipal		1895 1920		1893 1913	
Evanston			Municipal					
Freeport	1898	1928		1882 1912	1907 1937		1907 1937	
Galesburg	1910	1930	Municipal		1890 1910		1890 1910	
Jacksonville	1868	Perp.	Municipal				1868 Perp.	
Joliet	1908	1958	Municipal		1897 1947		1898 1948	
LaSalle	1902	1932	Municipal		1902 1932		1904 1954	
Moline	1909	1929	Municipal		1910 1930		1910 1930	
Ottawa	1910	1960	Municipal		1910 1930		1910 1930	
Peoria	1907	1947		1889 1919	1906 1926		1906 1926	
Quincy				1904 1934				
Rockford	1869	Perp.	Municipal		1882 Perp.?		1898 1923	
Rock Island	1890	1910	Municipal		1882 Perp.?		1899 1924	
Springfield			Municipal				1907 1927	
Streator	1910	1960		1886 1916	1889 1924		1889 1924	
Urbana	1868	Perp.		1915	1908 1928			

City	Year	Population	Area	Density
Albany	1900	11,000	1.5	7,333
Albany	1910	12,000	1.5	8,000
Albany	1920	13,000	1.5	8,667
Albany	1930	14,000	1.5	9,333
Albany	1940	15,000	1.5	10,000
Albany	1950	16,000	1.5	10,667
Albany	1960	17,000	1.5	11,333
Albany	1970	18,000	1.5	12,000
Albany	1980	19,000	1.5	12,667
Albany	1990	20,000	1.5	13,333
Albany	2000	21,000	1.5	14,000
Albany	2010	22,000	1.5	14,667
Albany	2020	23,000	1.5	15,333
Albany	2030	24,000	1.5	16,000
Albany	2040	25,000	1.5	16,667
Albany	2050	26,000	1.5	17,333
Albany	2060	27,000	1.5	18,000
Albany	2070	28,000	1.5	18,667
Albany	2080	29,000	1.5	19,333
Albany	2090	30,000	1.5	20,000
Albany	2100	31,000	1.5	20,667
Albany	2110	32,000	1.5	21,333
Albany	2120	33,000	1.5	22,000
Albany	2130	34,000	1.5	22,667
Albany	2140	35,000	1.5	23,333
Albany	2150	36,000	1.5	24,000
Albany	2160	37,000	1.5	24,667
Albany	2170	38,000	1.5	25,333
Albany	2180	39,000	1.5	26,000
Albany	2190	40,000	1.5	26,667
Albany	2200	41,000	1.5	27,333
Albany	2210	42,000	1.5	28,000
Albany	2220	43,000	1.5	28,667
Albany	2230	44,000	1.5	29,333
Albany	2240	45,000	1.5	30,000
Albany	2250	46,000	1.5	30,667
Albany	2260	47,000	1.5	31,333
Albany	2270	48,000	1.5	32,000
Albany	2280	49,000	1.5	32,667
Albany	2290	50,000	1.5	33,333
Albany	2300	51,000	1.5	34,000
Albany	2310	52,000	1.5	34,667
Albany	2320	53,000	1.5	35,333
Albany	2330	54,000	1.5	36,000
Albany	2340	55,000	1.5	36,667
Albany	2350	56,000	1.5	37,333
Albany	2360	57,000	1.5	38,000
Albany	2370	58,000	1.5	38,667
Albany	2380	59,000	1.5	39,333
Albany	2390	60,000	1.5	40,000
Albany	2400	61,000	1.5	40,667
Albany	2410	62,000	1.5	41,333
Albany	2420	63,000	1.5	42,000
Albany	2430	64,000	1.5	42,667
Albany	2440	65,000	1.5	43,333
Albany	2450	66,000	1.5	44,000
Albany	2460	67,000	1.5	44,667
Albany	2470	68,000	1.5	45,333
Albany	2480	69,000	1.5	46,000
Albany	2490	70,000	1.5	46,667
Albany	2500	71,000	1.5	47,333
Albany	2510	72,000	1.5	48,000
Albany	2520	73,000	1.5	48,667
Albany	2530	74,000	1.5	49,333
Albany	2540	75,000	1.5	50,000
Albany	2550	76,000	1.5	50,667
Albany	2560	77,000	1.5	51,333
Albany	2570	78,000	1.5	52,000
Albany	2580	79,000	1.5	52,667
Albany	2590	80,000	1.5	53,333
Albany	2600	81,000	1.5	54,000
Albany	2610	82,000	1.5	54,667
Albany	2620	83,000	1.5	55,333
Albany	2630	84,000	1.5	56,000
Albany	2640	85,000	1.5	56,667
Albany	2650	86,000	1.5	57,333
Albany	2660	87,000	1.5	58,000
Albany	2670	88,000	1.5	58,667
Albany	2680	89,000	1.5	59,333
Albany	2690	90,000	1.5	60,000
Albany	2700	91,000	1.5	60,667
Albany	2710	92,000	1.5	61,333
Albany	2720	93,000	1.5	62,000
Albany	2730	94,000	1.5	62,667
Albany	2740	95,000	1.5	63,333
Albany	2750	96,000	1.5	64,000
Albany	2760	97,000	1.5	64,667
Albany	2770	98,000	1.5	65,333
Albany	2780	99,000	1.5	66,000
Albany	2790	100,000	1.5	66,667

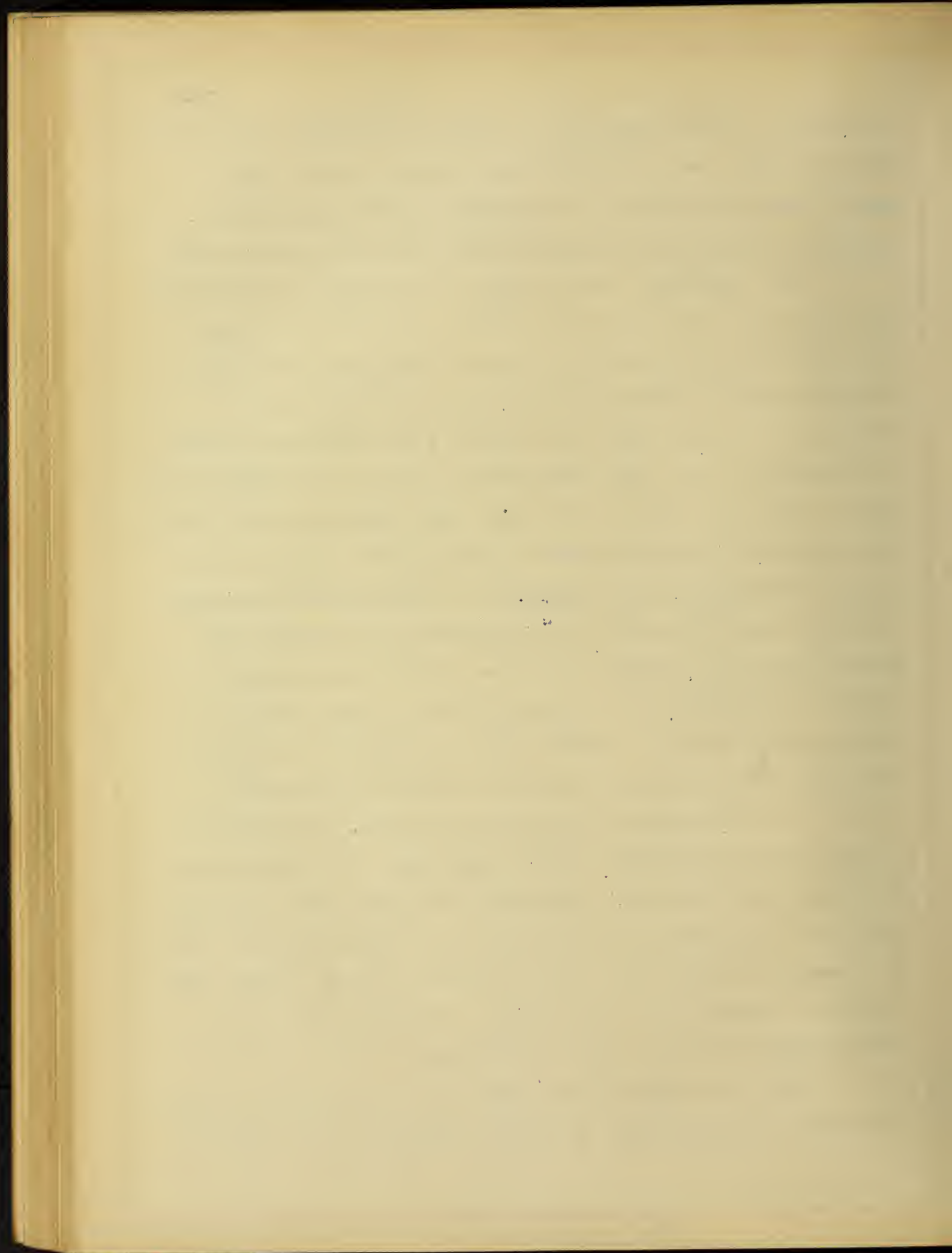
	Interurban		Bell Telephone.		Independ. Telephone.		Heat	
	Grant	Expir.	Grant	Expir.	Grant	Expir.	Grant	Expir.
Alton			Without					
Aurora	1909	1929		Perp.	1899	1919	Not operating	
Belleville	1893	1918	1882	Perp.	1899	1924	Not op.	
Bloomington	1905	1955	1892	1912	1896	1921	1900	1920
Champaign							Without	
Danville	1902	1922	Not oper.		1902	1932	1895	1945
Decatur			1892	1912	1893	1913	1903	1933
E. St. Louis			1897	1917			Not oper.	
Elgin			1894	1924			1900	1925
Evanston								
Freeport	Without		1910	1930	1901	1921	Not oper.	
Galesburg	Without		1882	Perp.	1905		1903	Perp.
Jacksonville	Not oper.						Not oper.	
Joliet	1906	1956	1897	1947	1899	1924	Not oper.	
LaSalle	1904	1954	1901	1921	Not oper.		1902	1932
Moline	1910	1930	Without		Without		Not oper.	
Ottawa	1906	1926	1893	Perp.?	Not oper.		Not oper.	
Peoria			1898	1918	1902	1922	1907	1947
Quincy	Not oper.		Not oper.		1904	1929		
Rockford			1891	Perp.	1901	1921	1902	1927
Rock Island			1910	1933	1908	1933	Not oper.	
Springfield								
Streator	1907	1957	Not oper.		1900	1921	1910	1935
Urbana				Perp.	1903	1933	1908	1928

franchises, 19 were perpetual; one was for ninety-nine years; 15, were for fifty years; three, for forty years; two were for thirty five years; 16, for thirty years; 19, for twenty-five years; one for twenty-three years; and 35 were for twenty years.

The statement that nineteen of a possible 111 franchises were perpetual must not go unqualified. In several instances the franchises do not state the date of termination, and will probably sooner or later be brought into the courts for interpretation. In at least one instance a gas franchise granted in perpetuity by the state legislature, has been challenged by the city in which the plant is operating. The legal department of the municipality maintains that the state grant applied only to gas for lighting purposes, and that its transmission for heating is without legal authority. In consequence an ordinance was passed regulating the sale of all gas, giving the company the choice of acceptance or of ceasing to sell for the purpose of heating and for power. The decision of the case will have an important bearing upon the remaining legislative franchises.

It is in relation to gas franchises that the interests of the municipalities have suffered most. Out of 24 cases, eight franchises were perpetual; one was for 99 years; four for fifty years, and two others were for forty years. Five franchises were of reasonable length, and in four instances data is missing. The telephone industry is a close second in this way, for out of fifteen Bell franchises, five are perpetual.

Also, in certain cities there is an inclination to grant franchises for long terms. In Joliet, five out of six utilities



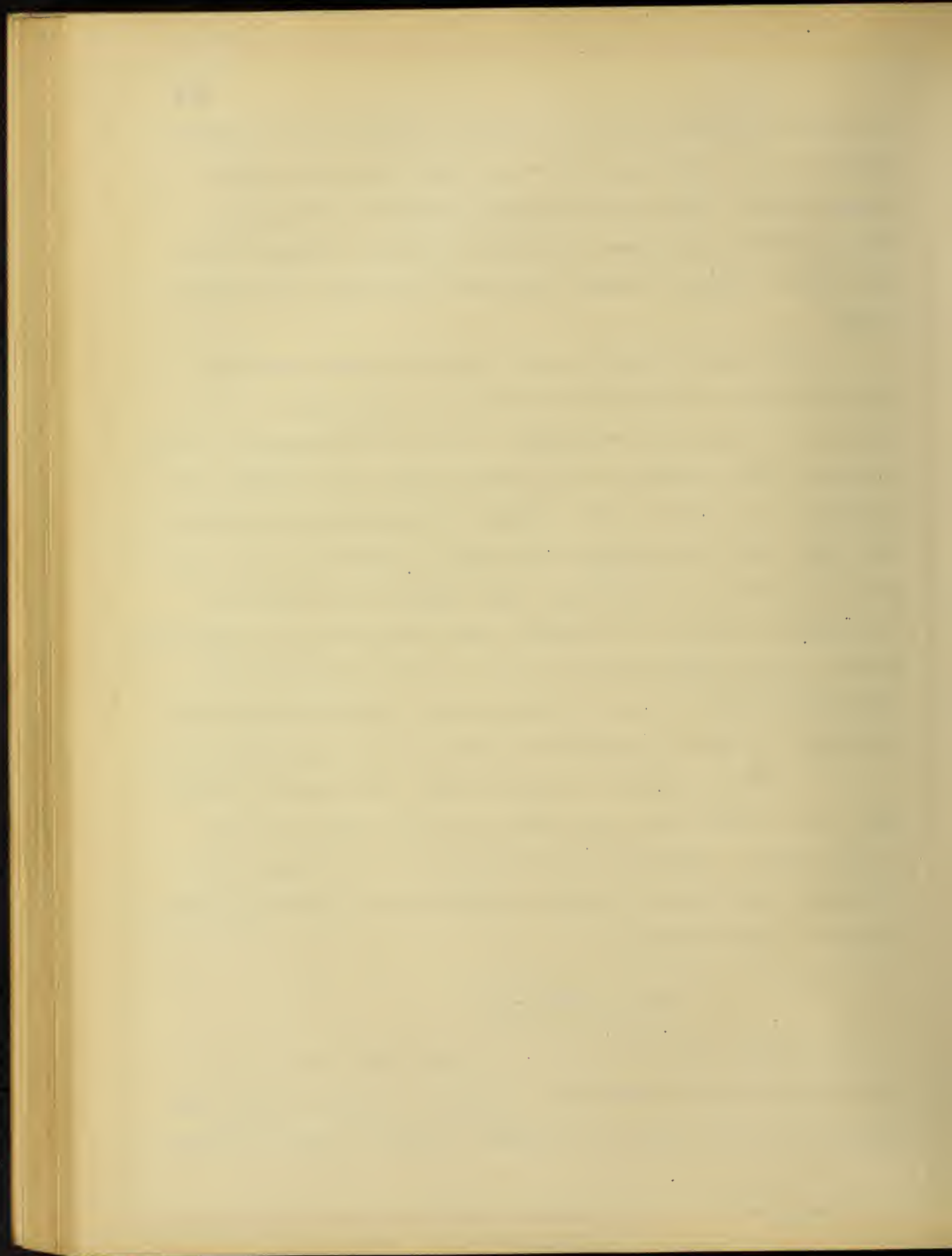
may operate for fifty years, for which permission is paid \$2000 annually plus a percentage which last year amounted to \$1317. Aurora has two fifty year franchises granted as recently as 1908. Several cities have fifty year franchises granted since 1904, one of them (in Ottawa) cancelling franchises for shorter terms.

The cities which have not qualified their franchises with provisions for payments will have an opportunity to do so withing the reasonably near future. Out of 96 franchises, 24 will end before 1921; during the next decade 38 of the remainder will terminate: from 1930 to 1940, 15 will be terminated; from 1940 to 1950, six. The 13 remaining franchises in operation, extend beyond the middle of the century. This number, considered with the nineteen perpetual franchises, places 15% beyond the reasonable control of the municipalities, and is a strong argument for legislative action, if not to increase city revenues from public utilities, at least to regulate the price of the commodities sold.

Items of revenue from minor public priviliges, - bay-windows, sub-sidewalks, etc. are absent from the budgets of the smaller cities. The revenue from the use of city streets and alleys has been spoken of in the consideration of the income from the use of public property.

Special Assesments.

Special assessments are not in the usual sense city revenues since they are raised for a specific purpose and are kept separate from the funds in the general treasury. They do, however,



substitute for expenses which would have to be born by the municipality, and therefore their extent should be noted. A thoro consideration of special assessments would require and extensive study both of amounts expended and purpose, as well as to the amounts delinquent, method of assessment, interest, cost of collection, etc., matters which can only be mentioned here.

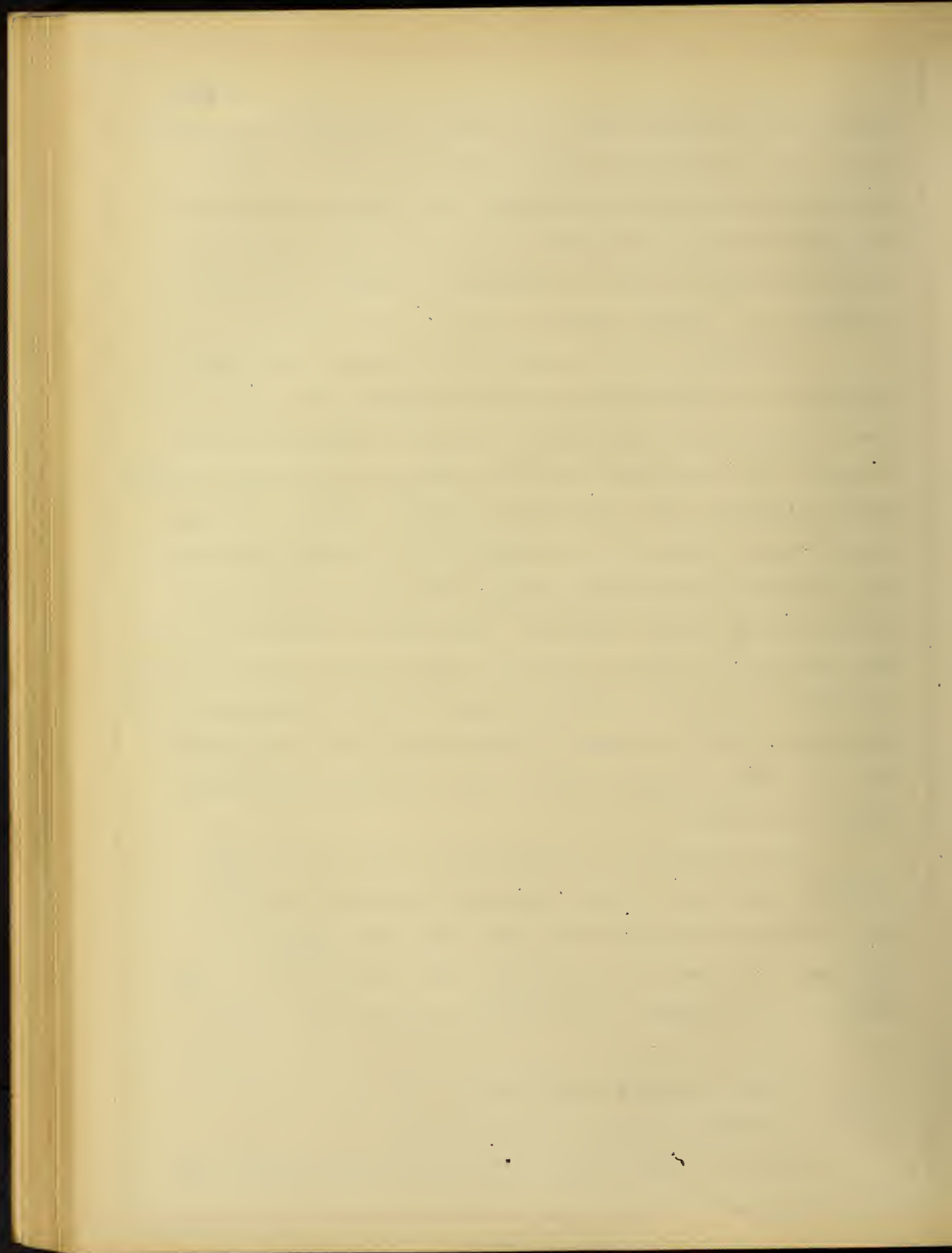
¹
Pursuant to the constitution the Assembly has passed a series of acts permitting improvements by special assessment or special taxation to comprehend the following subjects: bridges, viaducts, water reservoirs and works, hydrants, water mains, drains, pumping stations, parks, boulevards, streets, alleys, and other public places. The cost is assessed upon the property benefited in proportion to the benefit received, the residue of the cost ² being raised by uniform taxation. The further restrictions, are that the purpose be public; that the apportionment be in accordance with some general rule; and that no assessment be levied for repairs, since they contain no element of permanency, - with the exception that the constitution does permit repair assessments on drains, ³ ditches, and levies.

The determination of the basis of cost apportionment is left to the city, and the courts are reluctant to inquire into the equity of the decision. The more usual schemes of assessment are based upon superficial area, actual value of the property, and frontage, the preference being with the latter

1. Const. of 1870. Art. 9, par. 9.

2. Chicago v Larned, 34 Ill. 203, 282.

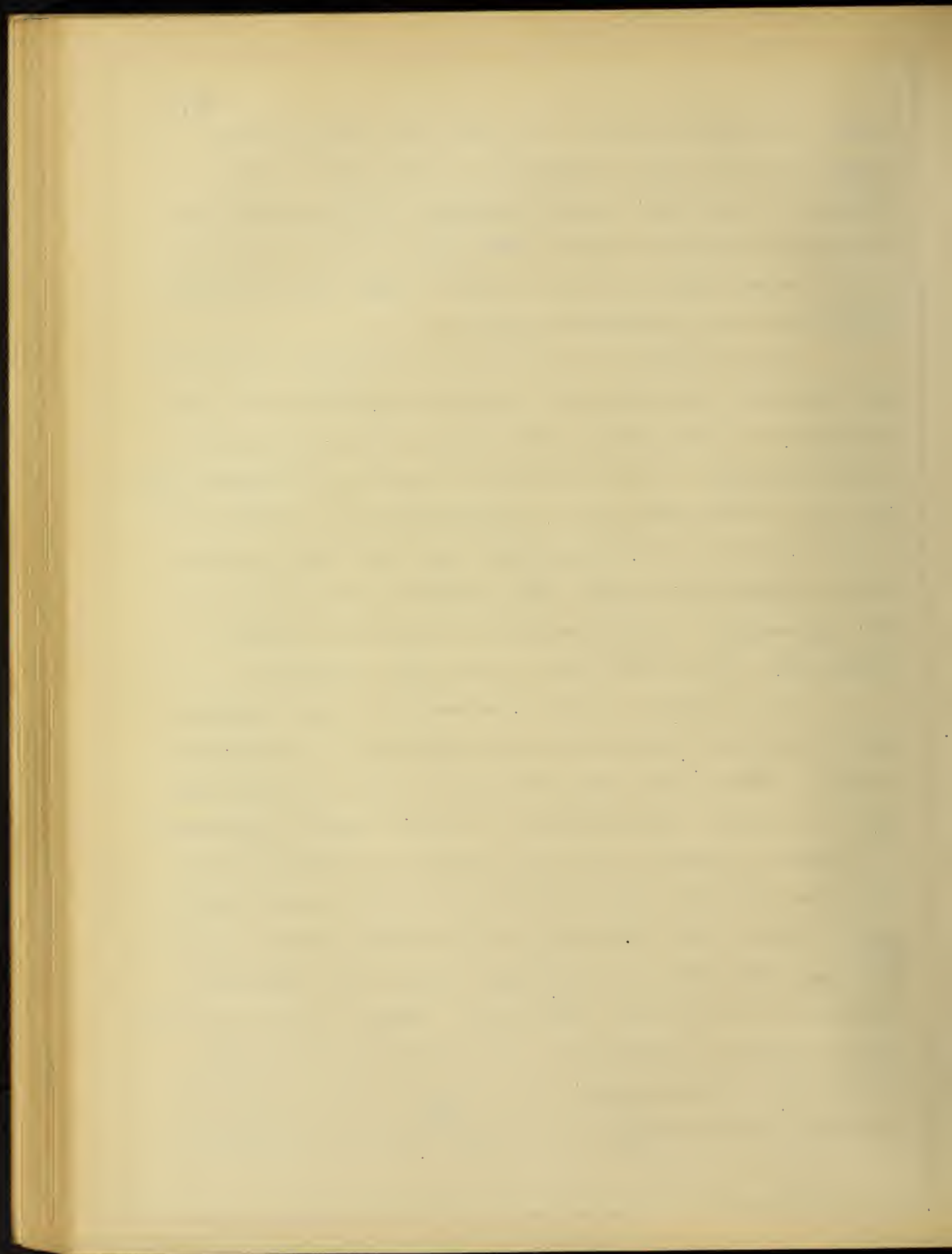
3. Crane v West Chicago Park Commissioners, 153 Ill. 348.



method. In street paving if the corner lots face the paved street the narrow way, no assessment is made upon the lots fronting upon the side streets; otherwise the first three lots on the side street are assessed 60%, 40%, and 20% of what would be the normal cost of paving in front of them. Naturally these percentages vary in different localities.

The proportion of the cost born by the municipality differs widely in the construction of sewers and other works, the determination of the public benefit being left to the Boards of Local Improvement. In the building of streets it is customary for the city to assume the cost of the intersections. In Table 14 is a statement of the percentage of the total cost born in several cities, ranging from 11.3% to 20%, depending upon the nature of the improvements. The intersection rule regarding streets places about 14.3% of the cost upon the city corporation.

In the process of local assessment the most prominent part is played by the Board of Local Assessment, - a board whose technical officers are always the superintendent of streets and the city engineer. The ordinances to improve special assessments or taxation originate in this body, either by petition or upon their own initiative. Public hearings are held upon any contemplated action, except the laying of house drains, sewer service pipes and side-walks, which hearings consider the necessity, character, and cost of the improvement. Except in cities of over 100,000 population remonstrance petitions may be filed within thirty days suspending action for one year. The ordinance of improvement with estimated cost is then passed. Apportionment of



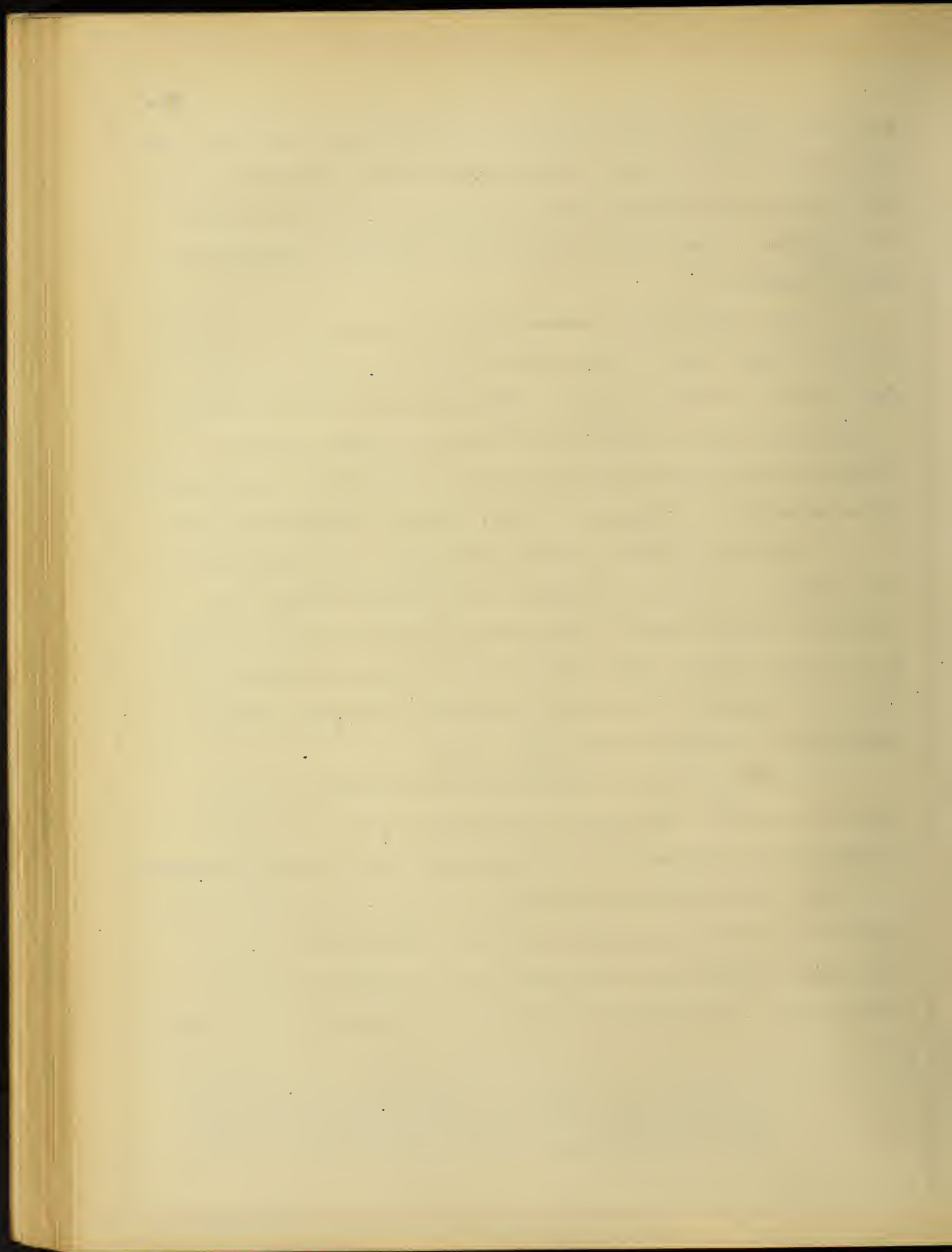
the cost is made and the assessment roll drawn up, the latter being open to court review and revision. Supplementary assessments may be levied if the original sum is insuppicient, provided that if the increase is more than 10% the entire process of assessment must be repeated.

The collection of assessments is similar to that of real property taxes, being in the hands of the city collector until March 10th. He has no power to enforce payment, and the charge of delinquent sums is taken by the county treasurer. After preliminary notices these delinquencies are collected in substantially the same manner as delinquent property taxes, already described.

Contrary to what would be anticipated with the taxes of this nature, the amount returned to the County Collector for collection is considerably less porportionately than is the case with property taxes. For example in LaSalle only 12.4% of the total was returned to the county collector; in Peoria, 19.6%; Bloomington, 28.8%;and in Evanston, 42.5%.

The difficulty of corellating the assessment to the actual cost of the improvement is apparent, and in consequence in practically every assessment rebates are paid or new assessments are levied. The matter of repating is of easy solution since the actual cost of the construction is known before even a few installments are paid, and any rebate may be prorated on future installments.¹ It naturally involves and increased clerical cost.

1. In Evanston the rebates on thirteen assessment funds were 3.5%; 2.8%; 6%; 11%; 11.5%; 10%; 26%; 30%; 14%; 14%; 24%; and 20%. The largest percentages were upon sewer constructions.

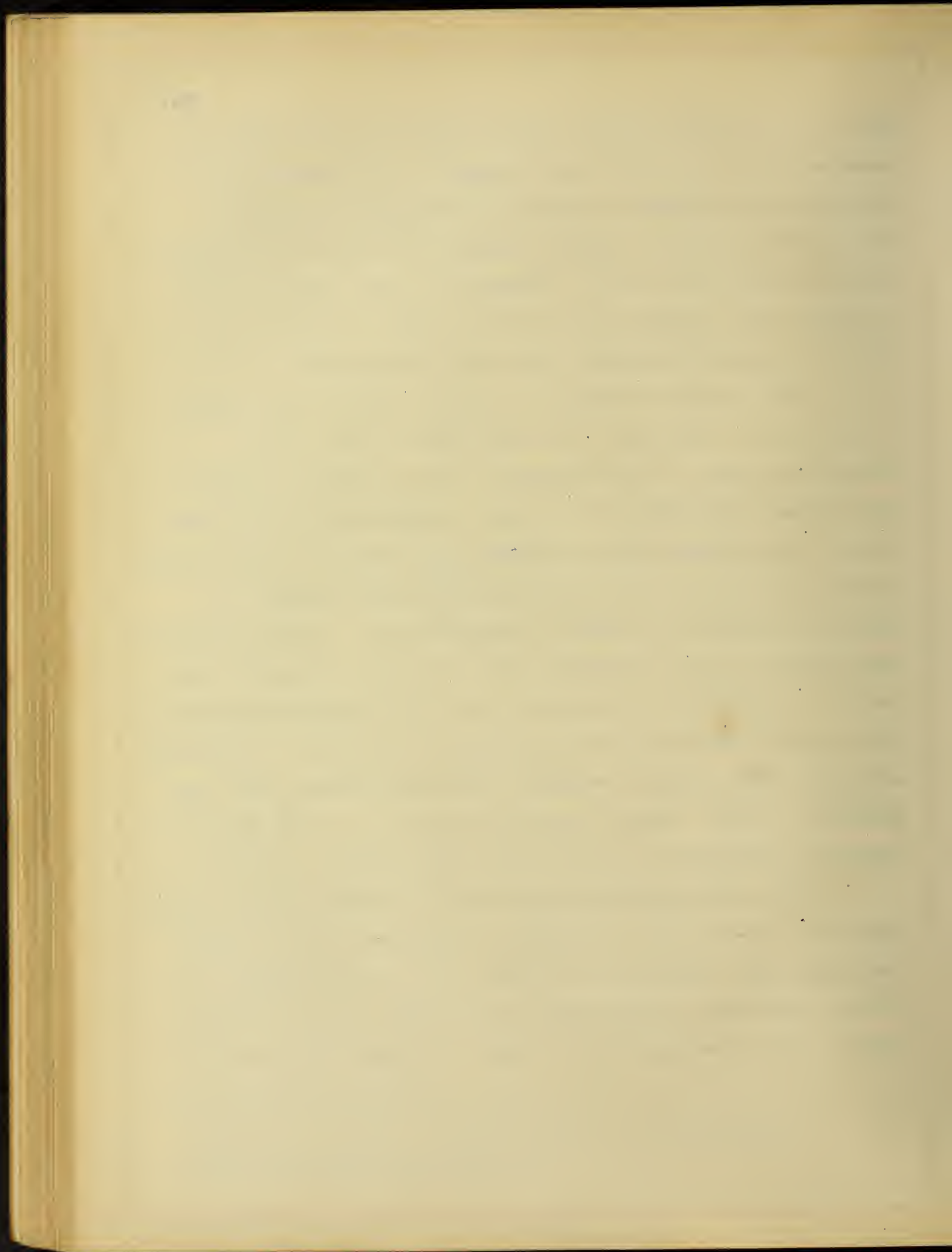


Deficits in the fund are more serious and may be the result of underestimates or of uncollected payments. In Freeport the liabilities are \$38.552 in excess of the special assessment assets, or 13.3% of the total. The Mayor of Peoria in an annual address to the city council¹ remarked that the "amount of improvement bonds outstanding is many thousands of dollars in excess of special assessments remaining uncollected".

The extensive precautions taken to protect the rights of the property owner have been mentioned, and these add a considerable cost to the assessment work. In Urbana newspaper advertisement costs \$75 for each job, in addition to the printed notices sent to each person concerned. By statute the preliminary expense is limited to 6% of the total and this allowance is entirely consumed in the smaller constructions. In cases involving larger amounts there preliminary expenses fall to three or four percent. An example of the costs involved in extending assessments may be taken from the collection returns in Evanston. Of \$126,134 expended, bonds, coupons, warrants, and miscellaneous funds took \$122,446, or 97%. Rebates amounted to \$1,061, or .08%, while the expenses incidental to collection, etc. took \$2,618, or 2.2%.

The surest criteria of the extent to which special assessments are used would be the amounts of improved streets, sewers and other public constructions in each city. Unfortunately not all city engineers are familiar with the total amounts of these works in their municipalities so that a complete comparison is

1. E.N.Woodruff, in the City Comptroller's Report 1902.



impossible. Of eight cities, however, the largest proportion of paved streets was in Freeport, being 45.3% of the total; Springfield followed with 45%; and Rockford with 44%. The smallest percent was in Galesburg which had only 21.4% improved; the next lowest being Decatur with 28.7% improved.

Regarding sewer construction, Danville has one mile for every 490 inhabitants, Blooming and Freeport following closely with 100 and 125 persons per mile. The largest population per mile is in East St. Louis, which city has 1310 persons for each mile of sewer. In the larger cities, however, there is a tendency to have fewer sewers in proportion to the population, as the per mile population in Springfield is 850, in Rockford is 835, and in Galesburg 720.

The contractor for special assessment work receives as payment bonds payable in five or ten annual installments (thirty in the case of water works), bearing interest at 5%. Such bonds are not a lien upon the city, but upon the property of the individual, altho the municipality undertakes and guarantees the collection of the payment. The amount of bonds outstanding in the cities, would, however, fail to indicate the extent to which assessments are used since the amount is decreased by one-tenth each year, and the constructions doubtless have a longer life than ten years. This statement is supported by a comparison of the per capita special assessment bond indebtedness in the several cities. Aurora has such a per capita indebtedness of \$5.35; Decatur of \$3.00; Elgin, \$6.40; Freeport, \$14.70; LaSalle, \$4.00; and Peoria, \$6.30,- a considerable variation compared with the

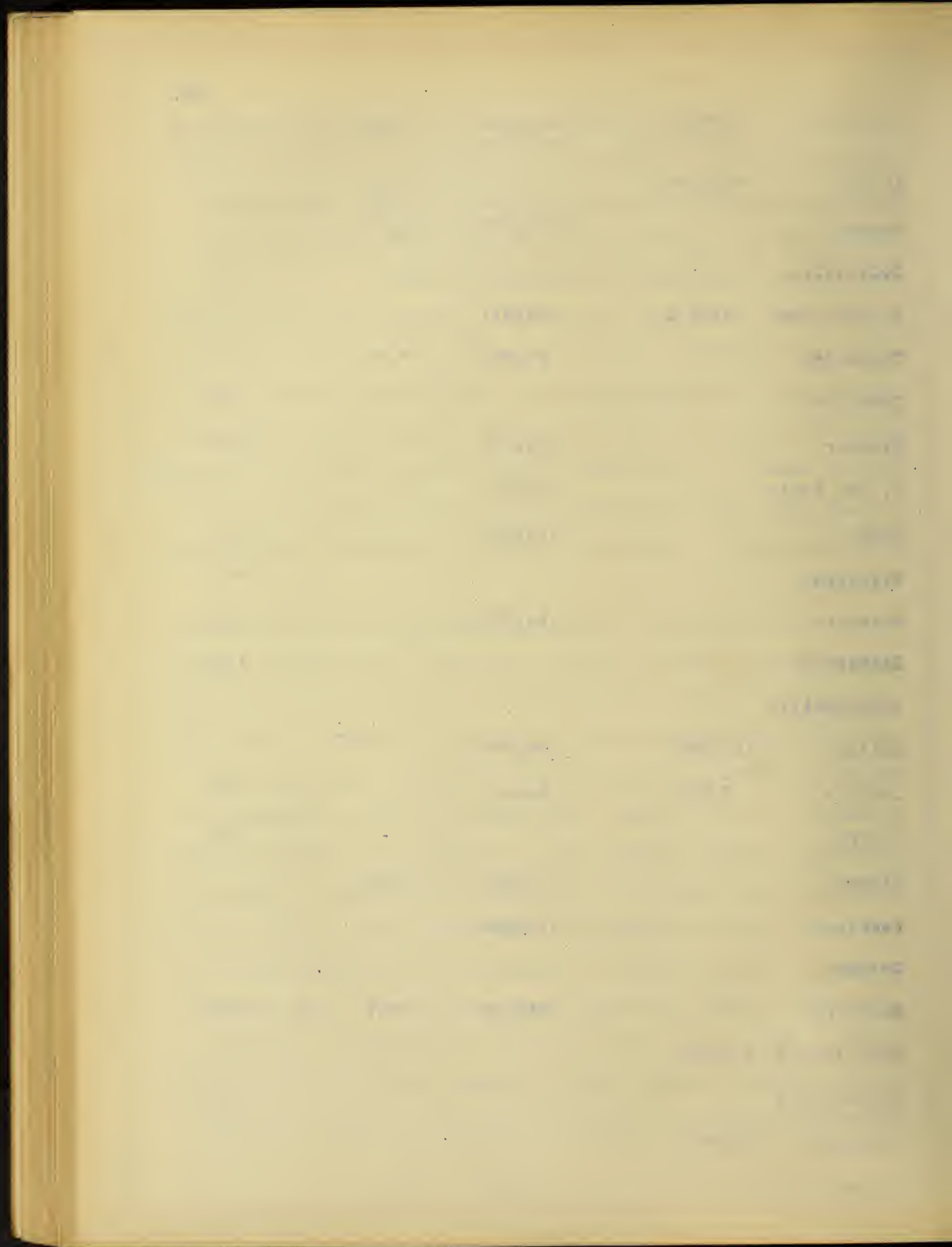


Table 19,

Special Assessments, etc. in 1909.

86.

	Amounts Collected	Assessment Work Done	Percent of Public Benefit	Street Mileage
Alton	\$76,270		16.5	
Aurora		\$134,458	11.3	
Belleville				90
Bloomington	76,215	65,531		
Champaign		31,000	7.7	
Danville				90
Decatur		65,000		150
E. St. Louis		678,000		
Elgin		113,300		112
Evanston				105
Freeport		70,000		75
Galesburg				110
Jacksonville				
Joliet	107,986	96,308		
LaSalle	7,659	None		27
Moline				70
Ottawa		4,414	20.0	
Peoria		173,300		
Quincy				
Rockford		28,132	14.7	156.9
Rock Island	44,000			
Springfield				111.6
Streator	22,666			
Urbana		35,841	13.9	

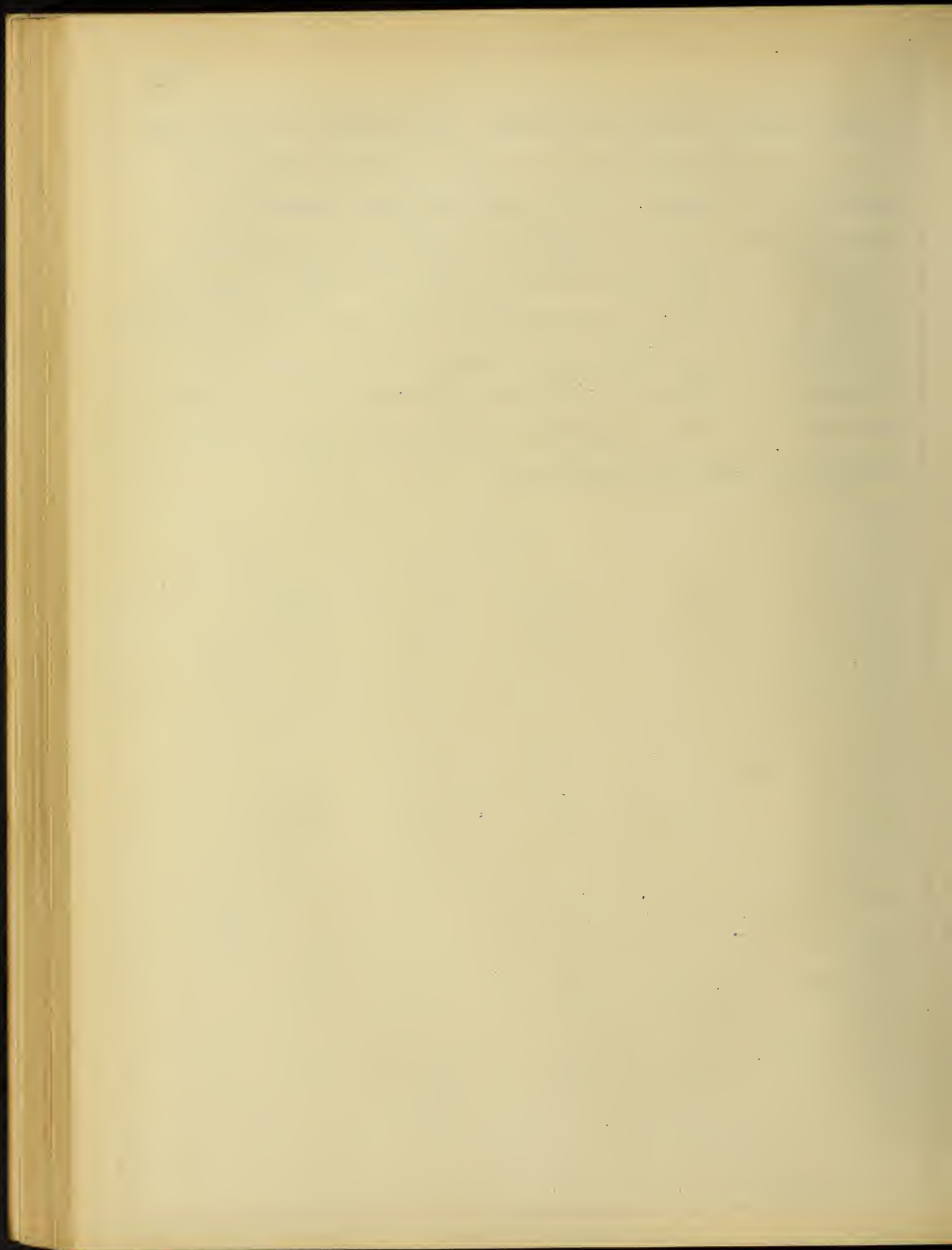
Table 19, (Cont.)

87.

	Miles Improved	Percent Improved	Miles of Sewers	Population per Mile
Alton	20			
Aurora	20.6		50.18	590
Belleville	30	33	35	740
Bloomington	33.5		52.45	500
Champaign				
Danville	32	35.6	57	490
Decatur	40	28.7		
E.St.Louis	46		52	1310
Elgin				
Evanston				
Freeport	34	45.3	34	515
Galesburg	23.6	21.4	31.85	720
Jacksonville				
Joliet				
LaSalle	11	40.8	18.16	550
Moline	23.8	34	38.35	630
Ottawa				
Peoria	55.7			
Quincy				
Rockford	60.88	44	55.06	825
Rock Island				
Springfield	50	45	60	850
Streator				
Urbana				

paved streets to the total streets, which ranged from 20% to 40%.

For the same reason the amount of cash collected each year to retire bonds, or of the amount of bonds issued is a false indication of the importance of assessments in municipal finance,- the latter sum even more so than the former, since the amount of construction work fluctuates widely from season. Included in table 19 is a statement of the amount of bonds issued and redeemed in the cities for which this information was obtained, and taken with the other material presented may suggest the importance of assessment construction.

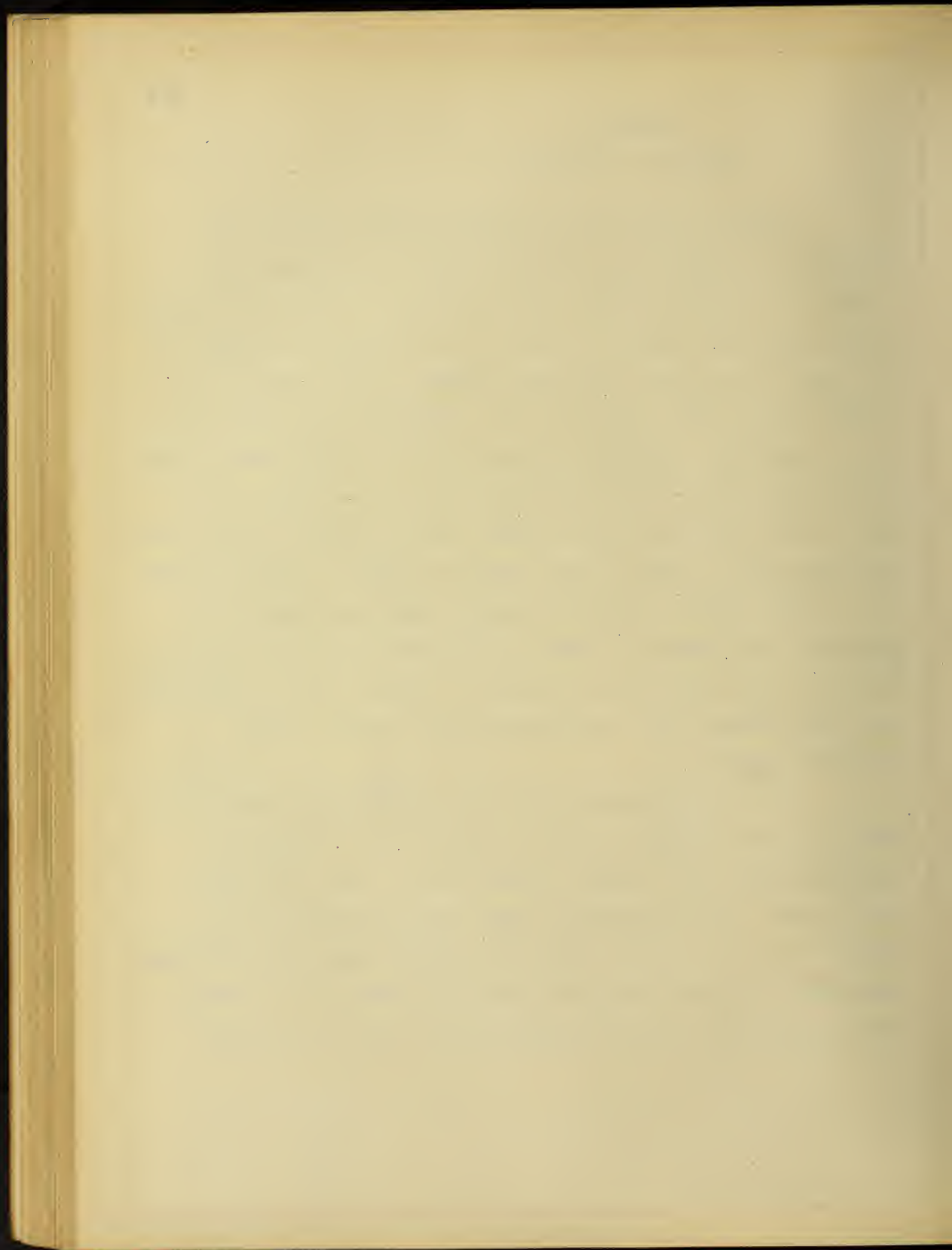


CHAPTER V.
MUNICIPAL INDUSTRIES.

Judged by the amount of revenue turned into the city treasuries, municipal industries rank third in importance as a source of municipal income. The percentage of total city revenue derived from such sources is given in the concluding chapter, but is of small importance. Such gross revenue is only apparent, and in most cities public industries are conducted at an actual loss.

Municipal industries conducted by the cities here studied are of three sorts,- (1) water plants and (2) cemeteries, which may be made to produce a net revenue, and (3) electric light plants, which may have no revenue since they may supply the means of light only to city streets and public places. These last need to be considered only because of their close relation with the operation of public water works of which they are usually a part. Libraries, hospitals, sewers, etc., are municipal but produce only an incidental income.

There is no distinct constitutional provision authorizing municipalities to engage in public enterprises, and any power exercised is of other origin,- namely, police power and legislative grant. By enterprise is meant the distribution of an economic good for a price, which will exclude those old established functions of police, fire protection and schools, all of which were contemplated in not recognized by the last constitution.



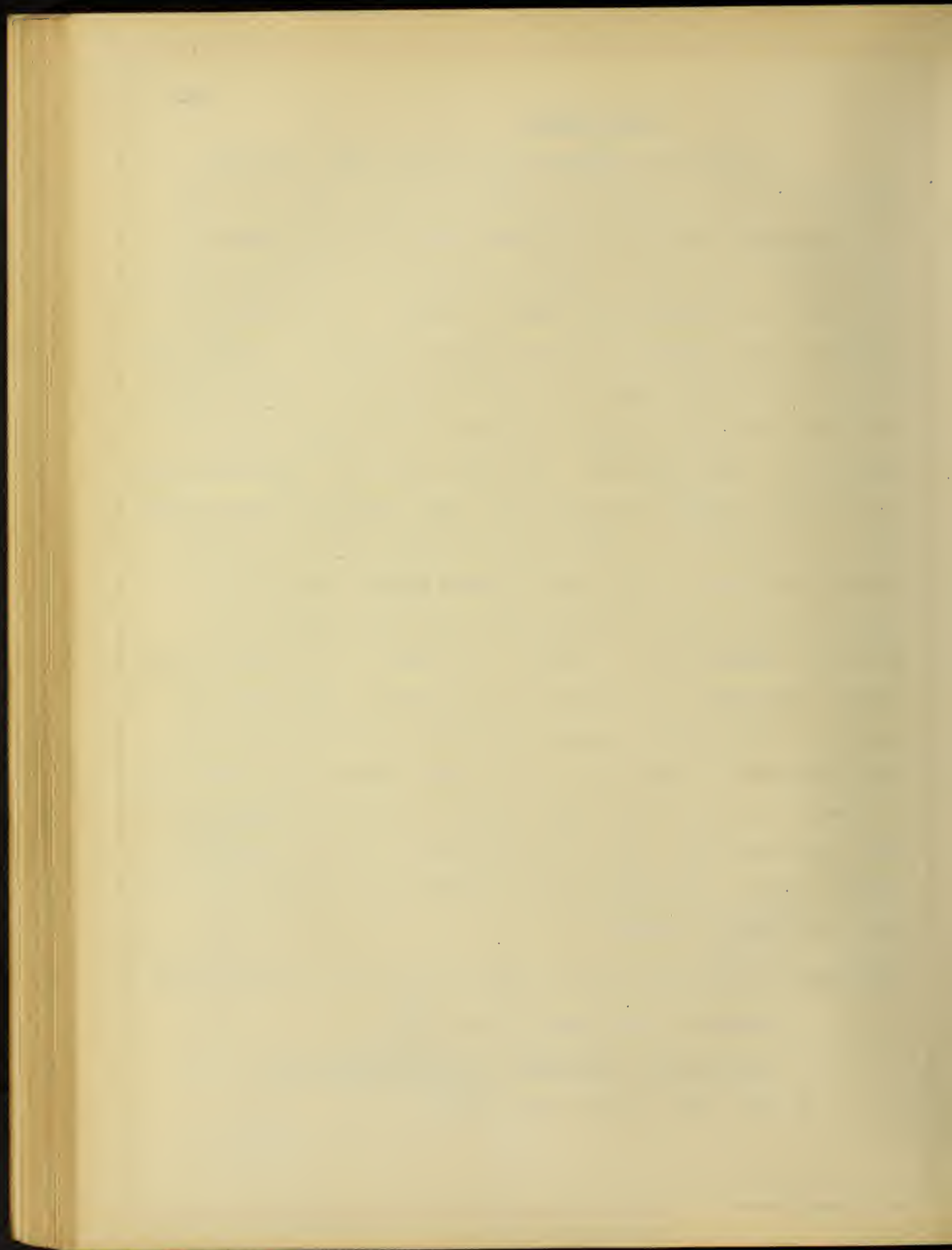
Water Plants.

A legislative enactments of 1873 and 1879¹ legalize the establishment of municipal sewers and water works, tho both of these might have been constructed under the police powers of the cities.² The earlier legislation relative to waterworks was of a nature to encourage the lease of plants, or the making of contracts for a supply of watr from private firms for a period of not more than thirty years. In case of leasing¹ any surplus over the cost of operation might be applied to the erection and extension of a municipal plant. The most recent law³ provides that plants may be bought or erected only upon favorable three-fourthe vote of the citizons, a direct tax of not more than one percent defraying the cost. Bonds may be issued against these taxes bearing interest at six percent. The water rates must be sufficiently comprehensive to provide for payment of the bonds, interest, maintenance and operation of the works, extensions and repairs. Thus Illinois has gone quite far in the protection of the taxpayer from impositions by the water consumer, yet there are no reasons for, and a good many against the making of extensions from the water fund. This is an item which should be charged to capital account, and made neither a burden upon the tax payer, nor upon the present consumer.

1. Rev Stat. Ch.24 Pars.251 and 323.

2. Goodnow, "City Government in the United States", 165

3. Rev. Stat. Ch. 24, par. 270h.



Should the preceeding provisions prove inadequate to the needs, there are still statutes which would permit the arbitrary enforcement of a one mill tax for the extention of mains, maintenance or refunding of debt.¹ By a two-thirds vote this tax may be advanced to three mills. Cities when buying plants may also pledge the revenues as security for the bonds issued, and may execute a mortgage or trust deed for the property.² In case of reversion to the original owner, any franchise rights pre-existing become operative.

Of the twenty-four cities which were investigated, fourteen have availed themselves of the privilege of establishing water plants, data concerning the operation being secured from thirteen of these.

In table 22 is shown the amount of money derived annually from water rents in the several cities, tho such a statement is of small significance. Any revenue coming from water rents must be offset by the operating expenses, by interest on the value of the plant and by depreciation. When this has been done the presumed revenue becomes a deficit, which sooner or later, must be made up from the general fund of the city or by the issue of bonds or by taxes. Therefore this deficit may be taken to be amount which the municipality contributes in payment for the water pumped for public buildings, and as rental for fire hydrants.

1. Rev. Stat. Ch. 24, par. 270.

2. Rev. Stat. Ch. 24, par. 270.

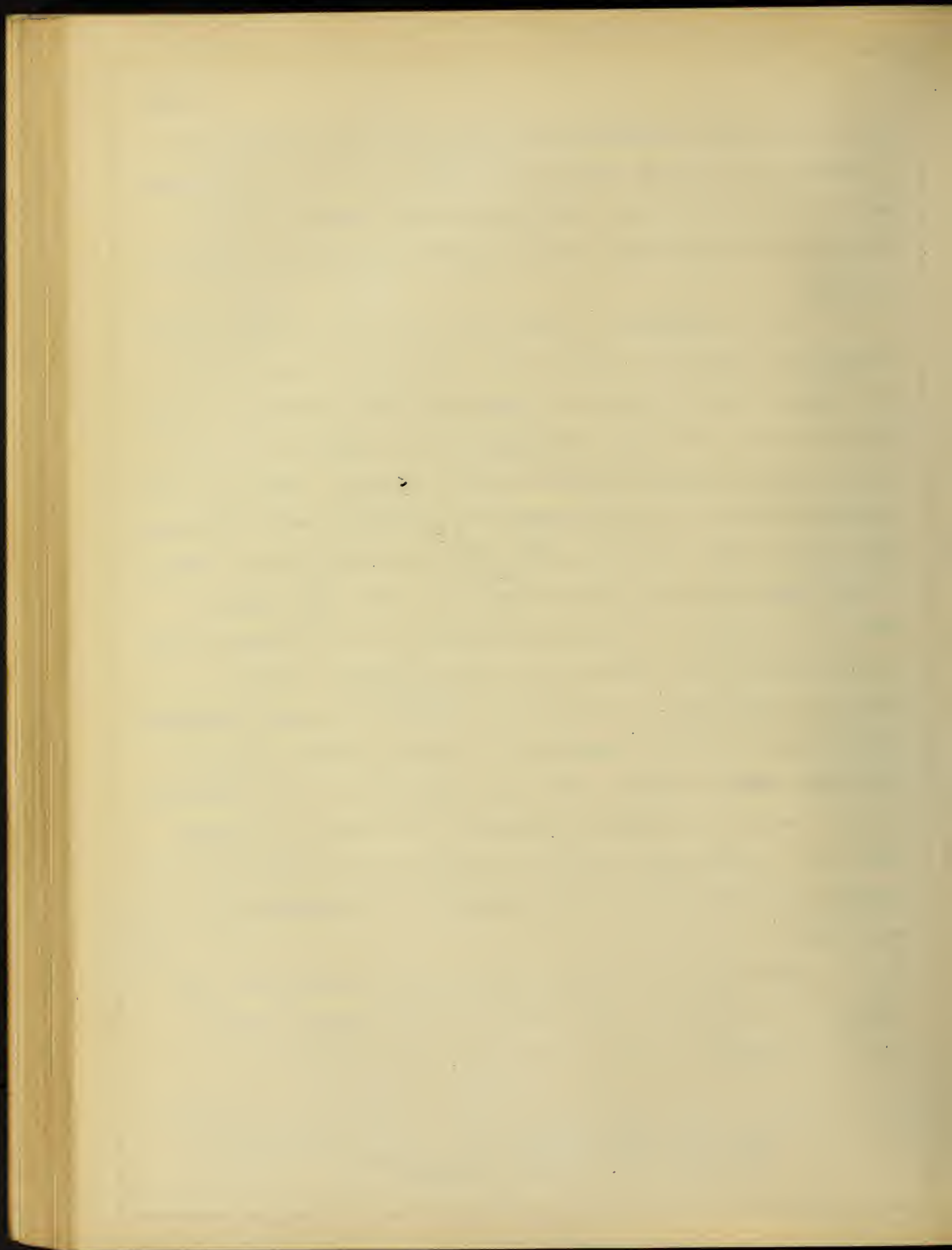


Such calculations contemplate the city water plant operated as a separate and distinct institution, earning its own way independent of the city treasury, charging the water consumer for his benefits, and the tax payer for the benefits rendered to the city at large.

It is ordinarily believed that the water consumer and the taxpayer are identical, and that the separation of the two for the study of water revenues is theoretical and unnecessary. Such is not the case, nor can a practice followed uniformly by public utility commissions be renounced by such argument. There is ample evidence that not all urban inhabitants are direct water consumers. Not only are there sparsely settled sections which are not reached by the water mains, but limited sections of the more densely parts are not served. If we may estimate that five persons (the ordinary family) are served by each water service, then in Rockford, 35,000 out of a population of 42,000 are water consumers; in Bloomington, 10,000 of 26,000, etc. Roughly, twenty percent of the people receive benefit from water works, who do not contribute to their support by domestic consumption. But should it appear that the tax payer and the water consumer become largely the same persons, this fact should cause unbusiness like management of waterworks.

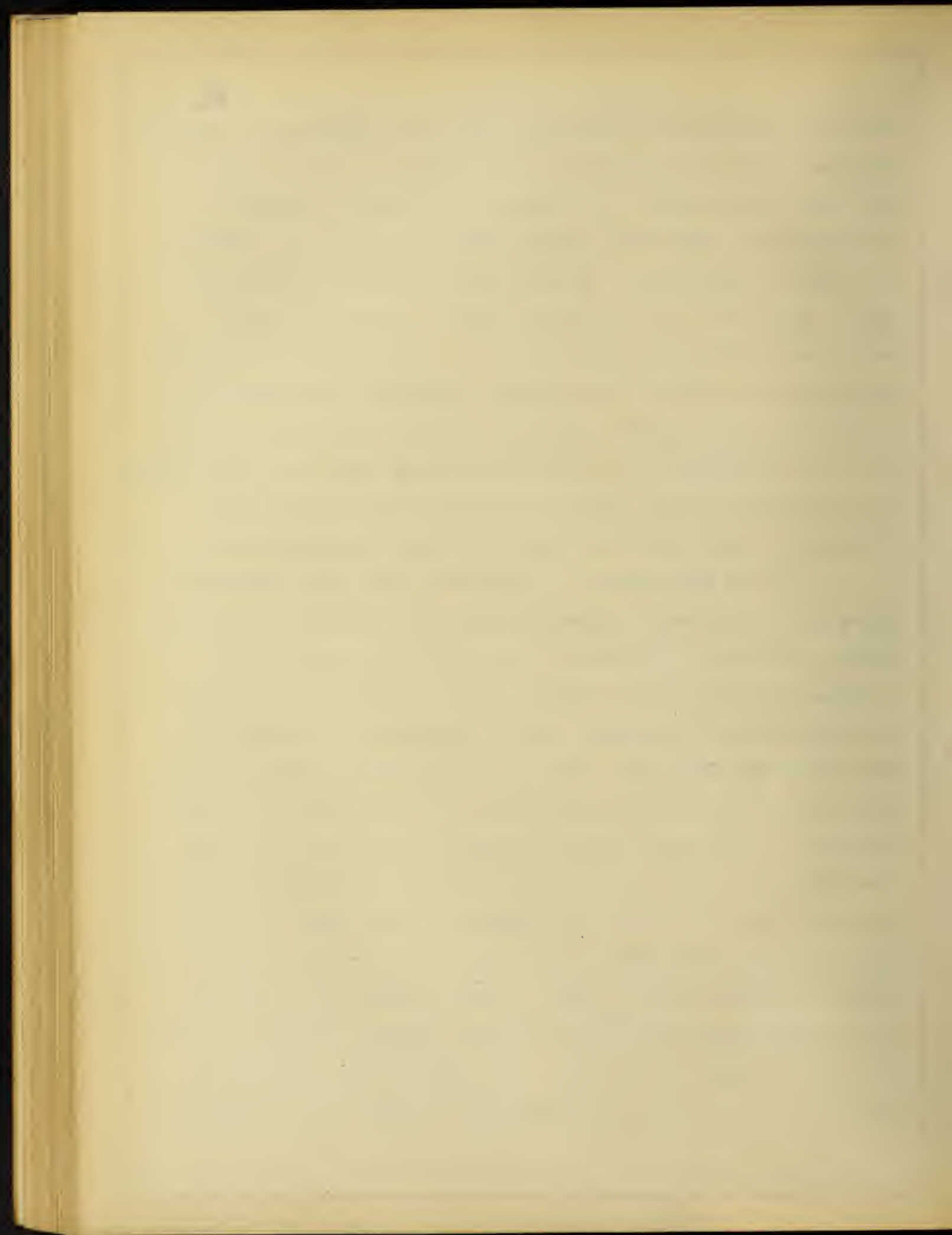
The Wisconsin Railroad Commission has a system for the separation of the cost of the public from the domestic service¹ which is preferable to the one which has been stated.

1. Wisconsin Railroad Commission, Pub. U.-52.(City of Ashland v. Ashland Water Company.)295



Each water plant has an investment above that required for domestic purposes, which is occasioned by the necessity of fire protection and other public needs. The commission therefore divides the investment for these two purposes, and upon this basis estimates the cost of depreciation, interest and maintenance chargeable to each. While this is of course the correct method its use is only possible thru the availability of a skilled engineering corps. However, it is not here the purpose to determine the equitable charges for the taxpayers and water consumers of Illinois cities, but rather to compare the different costs of operation, and possibly to point out in certain cases matters which are worthy of explanation or investigation by the individual superintendents.

It may be necessary to defend the idea that a municipal water plant should earn a reasonable rate of interest upon the amount invested. If, however, we are willing to divorce the personality of the water consumer from the taxpayer the justice of such a demand is apparent. While the value of the plant is represented by bonds, the necessity of the plant earning interest upon these bonds would be questioned. When such bonds have been refunded, or have been retired through the exercise of the taxing power, seem that a sum equal to the original interest should still be turned into the city treasury, - in one case to pay the interest on the new bonds; in the other to recompense the taxpayer for the use of his funds. It may be argued that the state law already mentioned requires that the erection bonds be retired from the earnings of the plant. One looks in vain, both for an authority to put such a requirement into effect, and for evidence



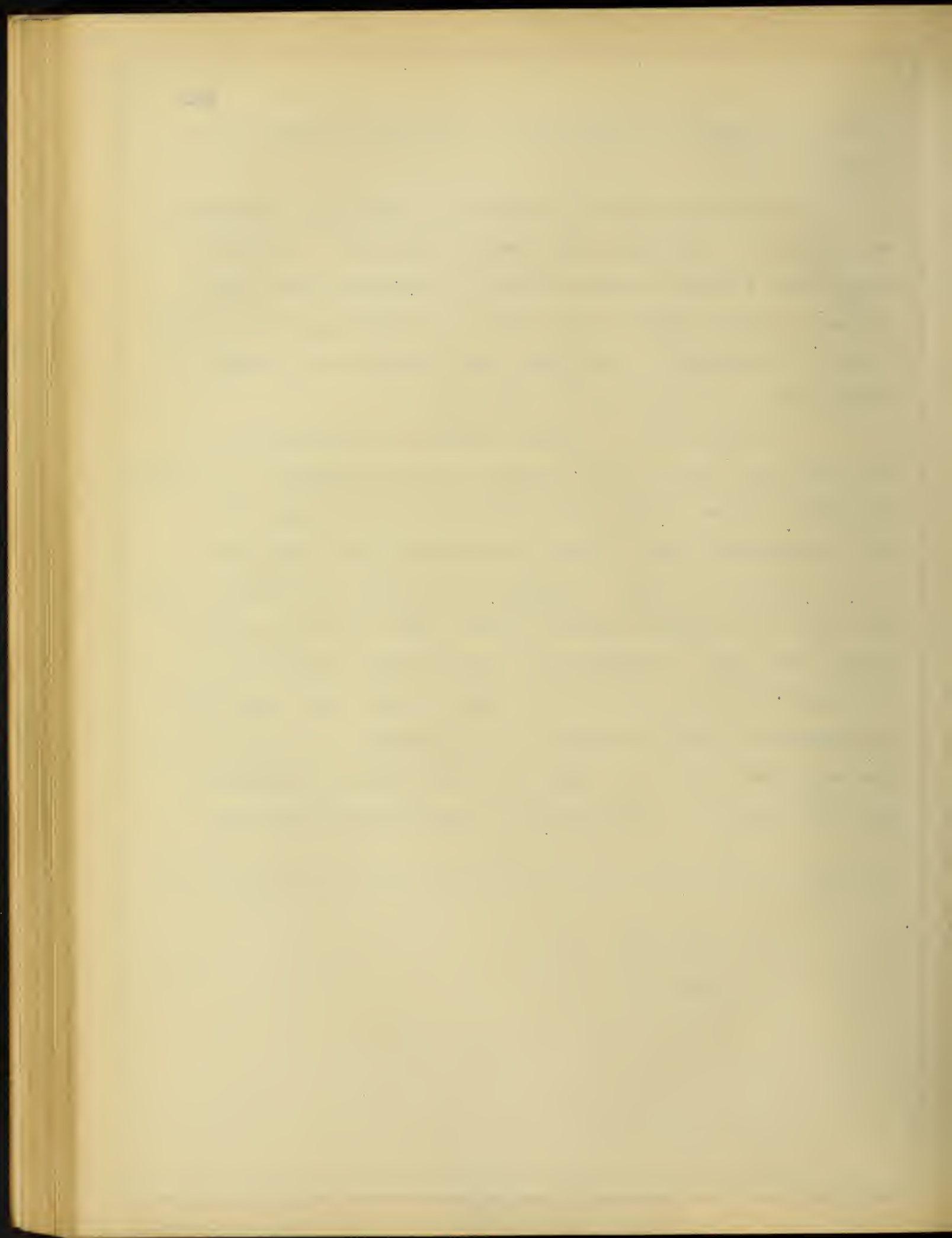
of its enforcement, as exhibited by a statement of municipal¹ indebtedness.

The major proportion of municipal bonds are outstanding² at from four to four and a half percent interest. For this reason four percent has been chosen as reasonable for a plant to earn, without regard to the rate in any particular city. Such a rate is conservative, and makes some allowance for the uniformly excessive values of the properties.

The necessity of a plant earning its depreciation is more apparent, and only one instance will be presented as evidence. Springfield found itself at the beginning of last year, with badly delapidated plant, capable of maintaining at time only twenty pounds of pressure. Repairs and renewals were badly needed, but since the city had reached the debt limit no bonds could be issued; and since no depreciation fund had been maintained the money must first be earned by the plant itself. The result of such methods is wasteful operation, high charges and poor service. The estimated life of four municipal water plants in Wisconsin was 62.25 years or a depreciation of something less than two

1. See page 127

2. See page 133



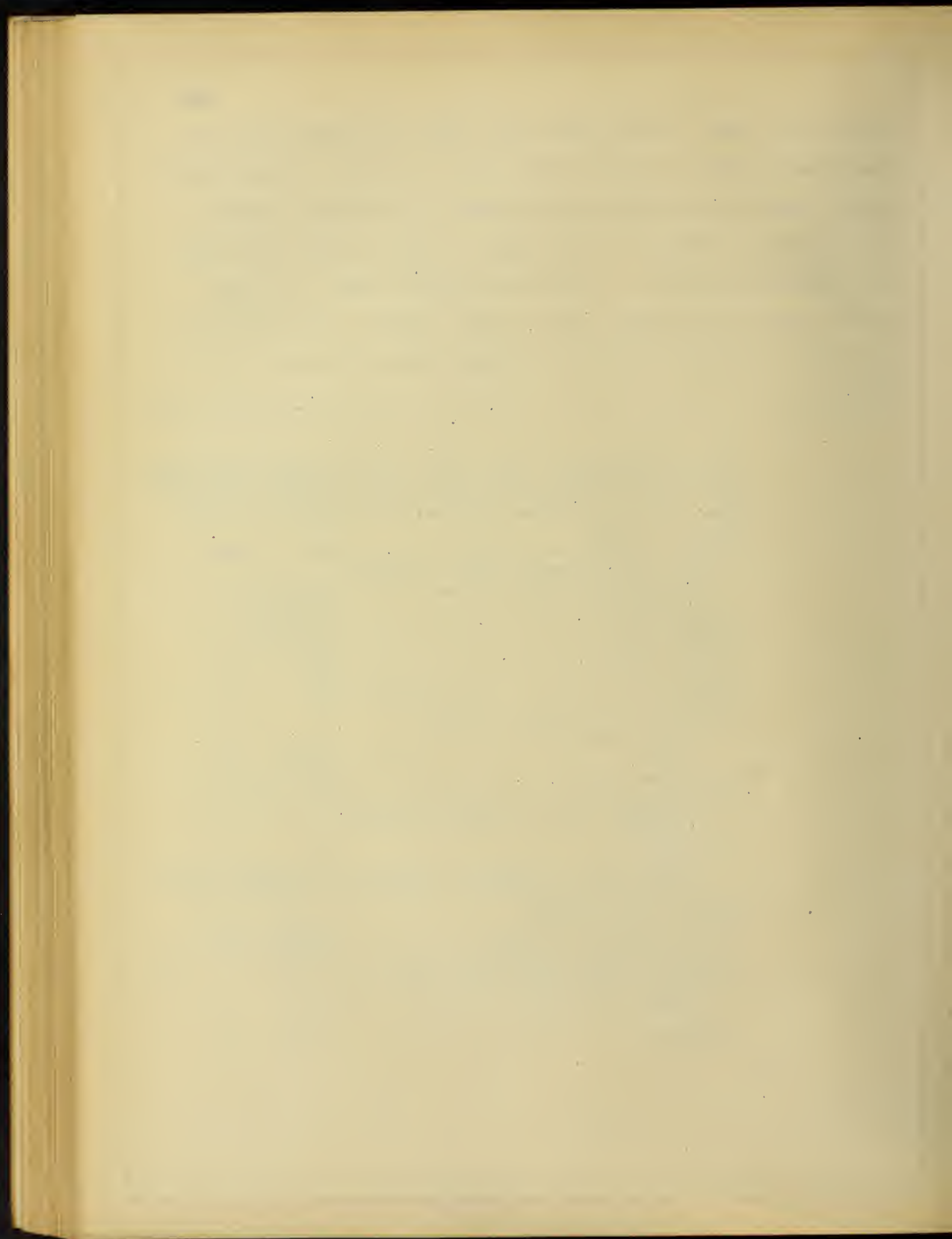
percent per year.¹ This latter rate might be assumed were the depreciation fund to lie idle and earn no interest. With private plants depreciation funds may be reckoned as earning four percent compound interest. In the case of public plants the funds will possibly be idle, or even more probably spent. In this latter case we may assume that the fund becomes a debt of the city and is worth at least four percent simple interest.

1. The calculations of the lives of the various units of utility equipment, upon which this estimate was based, were kindly furnished by Mr. Edwin F. Gruhl, Statistician for the Railroad Commission of Wisconsin, and are as follows:

Wells, driven or drilled.....	100	years.
Wells, large open, stone or brick walled.....	50-100	"
Suction pipes and intakes.....	50-100	"
Stand pipes.....	50-75	"
Reservoirs.....	75-100	"
Filter beds.....	100	"
Cast iron mains, fittings, valves...	100	"
Hydrants.....	50	"
Wrought iron mains, services galvanized.....	50	"
black	35-40	"
Services, lead.....	100	"
Fittings and valves in service given a life as in pipe lines in which located.		
Meters.....	25	"

Using lives similar to these, the average rates of depreciation for entire waterworks systems was computed as follows:

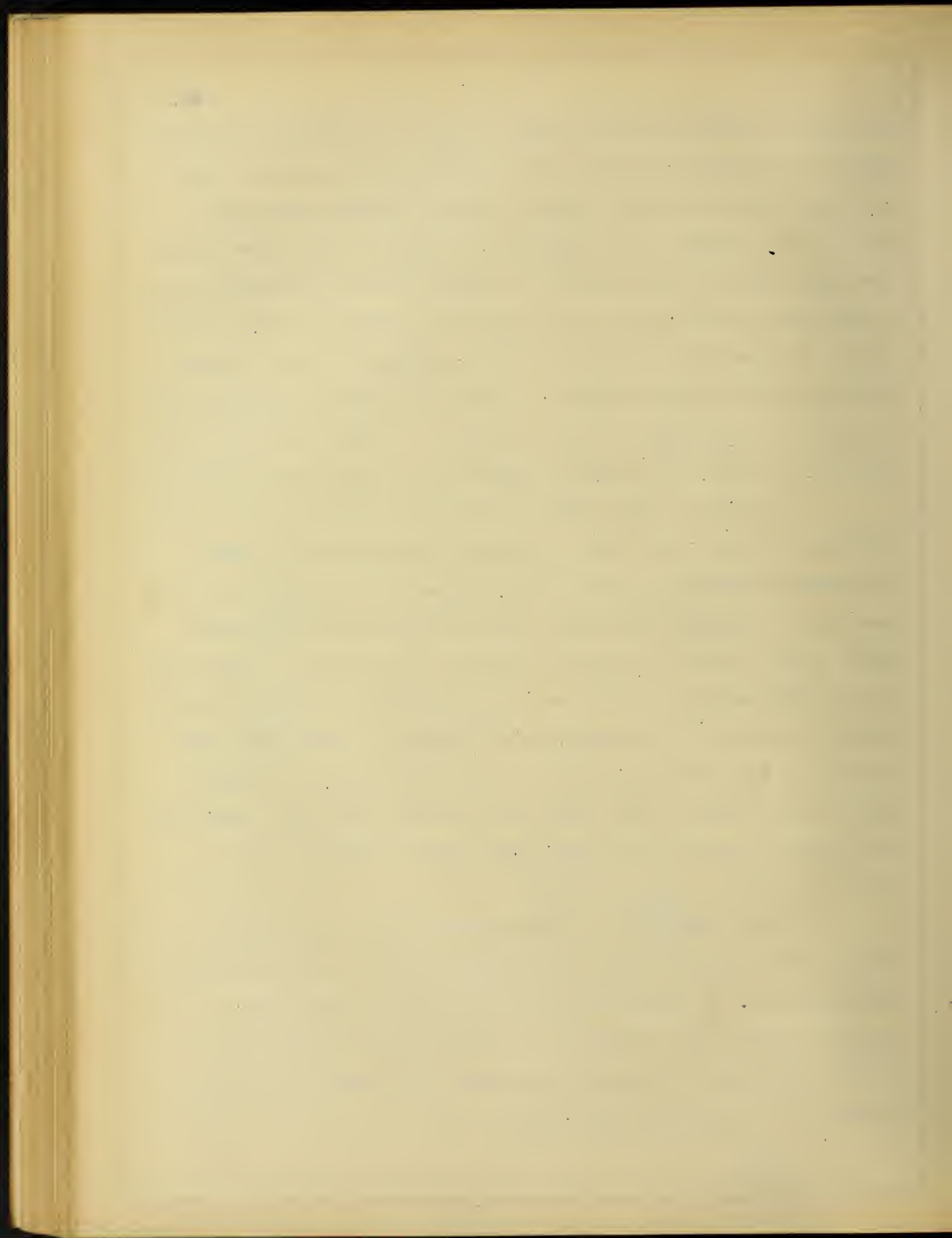
Antigo Water Works.....	60.03	years.
Manitowac Water Works.....	66.16	"
Superior Water, Light and Power Co.	67.29	"
Chippewa Falls Water Works and Light Co.....	67.60	"
Average.....	65.25	"



The rate of depreciation may then be said to lie between .5% and 2% of the depreciable value,- and by depreciable value is meant the cash value, less real estate, paving, services where paid for by the consumer, and extensions made during the current year. The mean figure of one percent is usually allowed by engineers as a reasonable depreciation upon this value. Tho this latter amount cannot be known for the plants here in question, we will assume that this depreciation applies to the total value, since absolute accuracy is unnecessary in this instance. A small error will not materially conceal the general tendencies of municipal operation.

In the following table is shown for thirteen cities, the estimated value of the plant, interest, depreciation and cost of operation, making a total of all costs; and the excess of this sum over the revenue received, which may be taken as the amount paid by the city for the public service of the plant. In the last column this deficit is shown as cost per hydrant. In the second table is presented the average daily pumpage of each city; the total cost (interest, depreciation and operation) for pumping each million gallons; the actual cash income from water rents for each million gallons, and the actual cost of operation per million gallons.

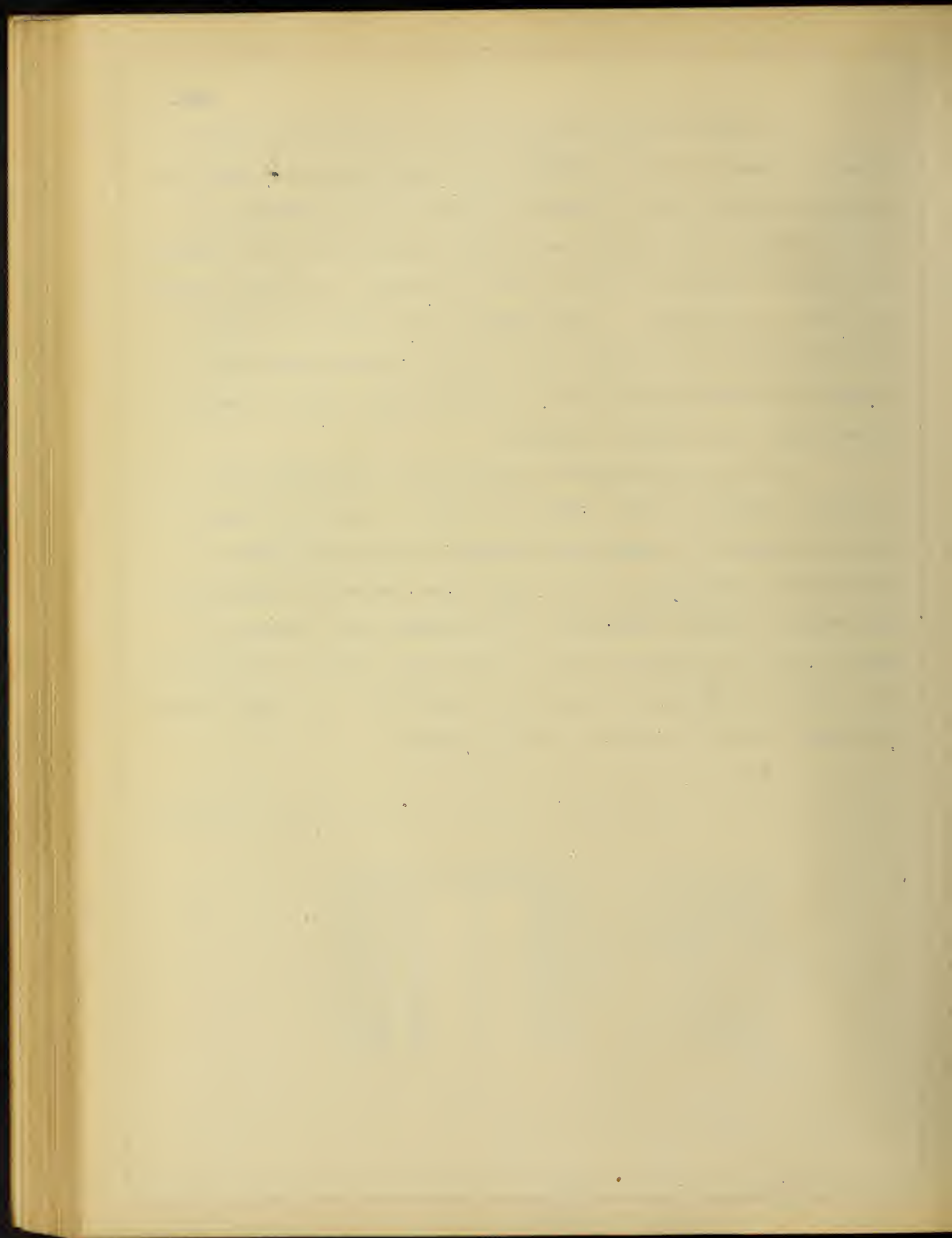
These tables are self-explanatory and carry in some degree their own criticism. While it is unfair to criticise the administration of any particular city because of high cost of operation,-since the conditions of operation are decidedly different, yet taken as a whole the tables may indicate the general tendencies of municipal operation.



It will be noticed that three of the thirteen cities, - Decatur, Evanston and Springfield, are operating water works at a decided profit above a liberal estimate for all expenses. In such instances the consumer is not only paying for his own water, and for the service to the city, but is turning a handsome profit into the city treasury. In Springfield the conditions render such circumstances necessary, for reasons already stated, but in the two other municipalities, it would appear that the water rates might reasonably be lowered.

On the other hand, two cities, Joliet and LaSalle are evidently operating their plants at a loss. The cost of maintaining hydrants in these corporations is estimated at \$96.73 and \$115.26 respectively, which based upon the rates charged by the private plants is excessive. The average rate charged by water companies in seven cities of the state (without reference to the number of hydrants in each city) is \$47.66,¹ the range being from \$25 in Peoria to \$80 in East St. Louis.

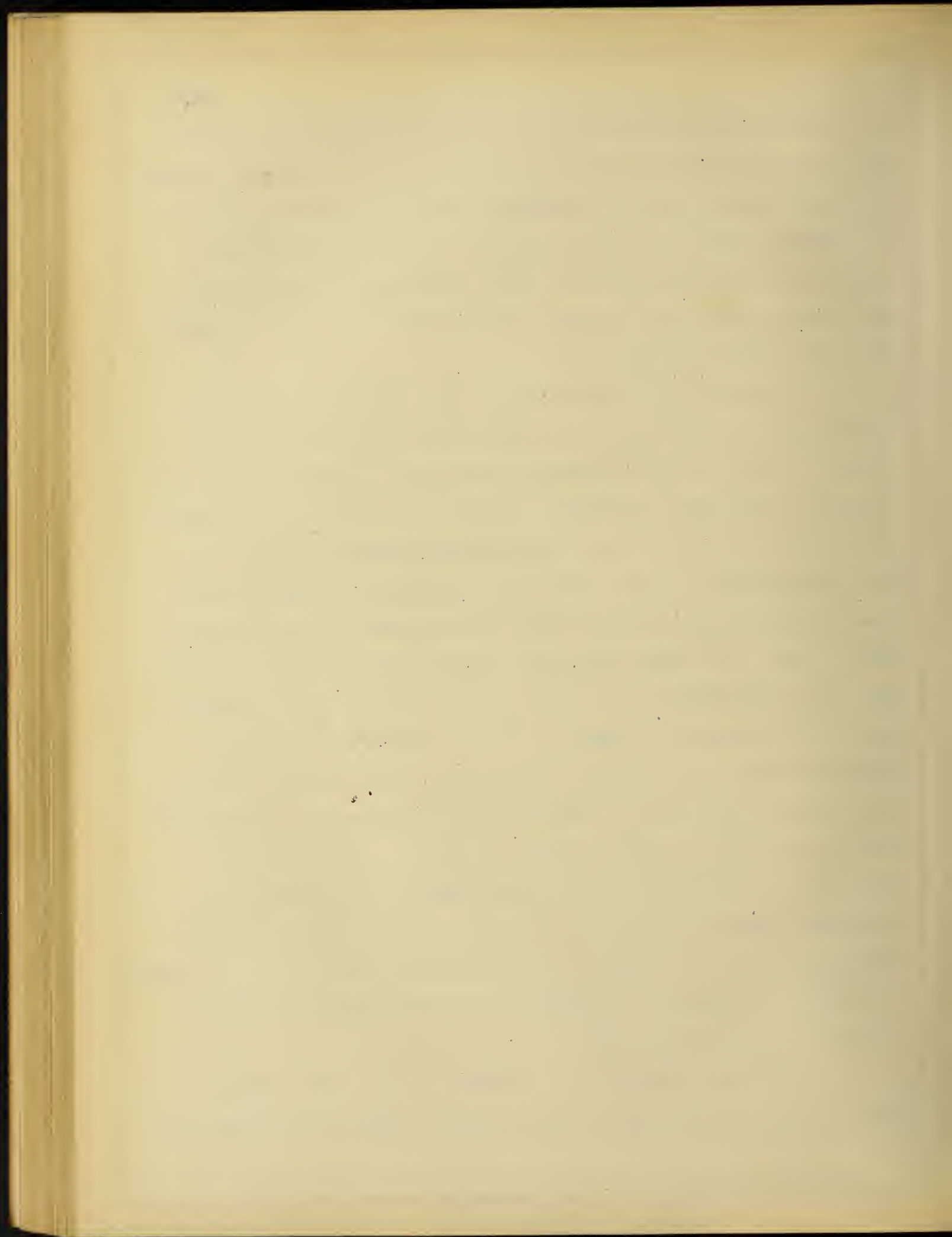
1. Alton.....	276	hydrants	@	\$50.00
Champaign.....	172	"	@	40.00
Danville.....	440	"	@	40.00
Freeport.....	190	"	@	50.00
E.St.Louis.....	125	"	@	80.00
	150	"	@	70.00
Peoria.....	1000	"	@	41.60.
	113	"	@	25.00
Streator.....	112	"	@	45.00
	161	"	@	\$5.00.



The normal rate is between forty and fifty dollars per hydrant. The unweighted average cost per hydrant in the ten municipal plants not operating at a profit is \$44.97, while the preponderant cost is between twenty and thirty dollars. A more exact statement would be to say that the whole public service, cost this much per hydrant, since no allowance has been made for water consumed for other public purposes.

If two cities are operating municipal plants to their direct financial detriment, to what causes may this loss be ascribed? In both Joliet and LaSalle the amount of water pumped is large for the amount of capital invested so it may not be advanced that excessive interest and depreciation charges are *the causes*. The two remaining factors which may influence the charge to the municipality are the cost of operation and amount of income from water rents. In both cases under consideration the former charges are low, being \$21.12 per million gallons in Joliet, and \$16.80 per million gallons in LaSalle. To the contrary, the amounts received for water in these cities are relatively small compared with the sums received in neighboring municipalities, being under \$20.00 per million gallons in both instances. Then since the loss can be ascribed neither to the fixed charges nor to extravagant operation, it follows that the rates charged in these instances must be too small for an equitable operation of the plants. In these two instances the water consumer is profiting decidedly at the cost of the tax payer.

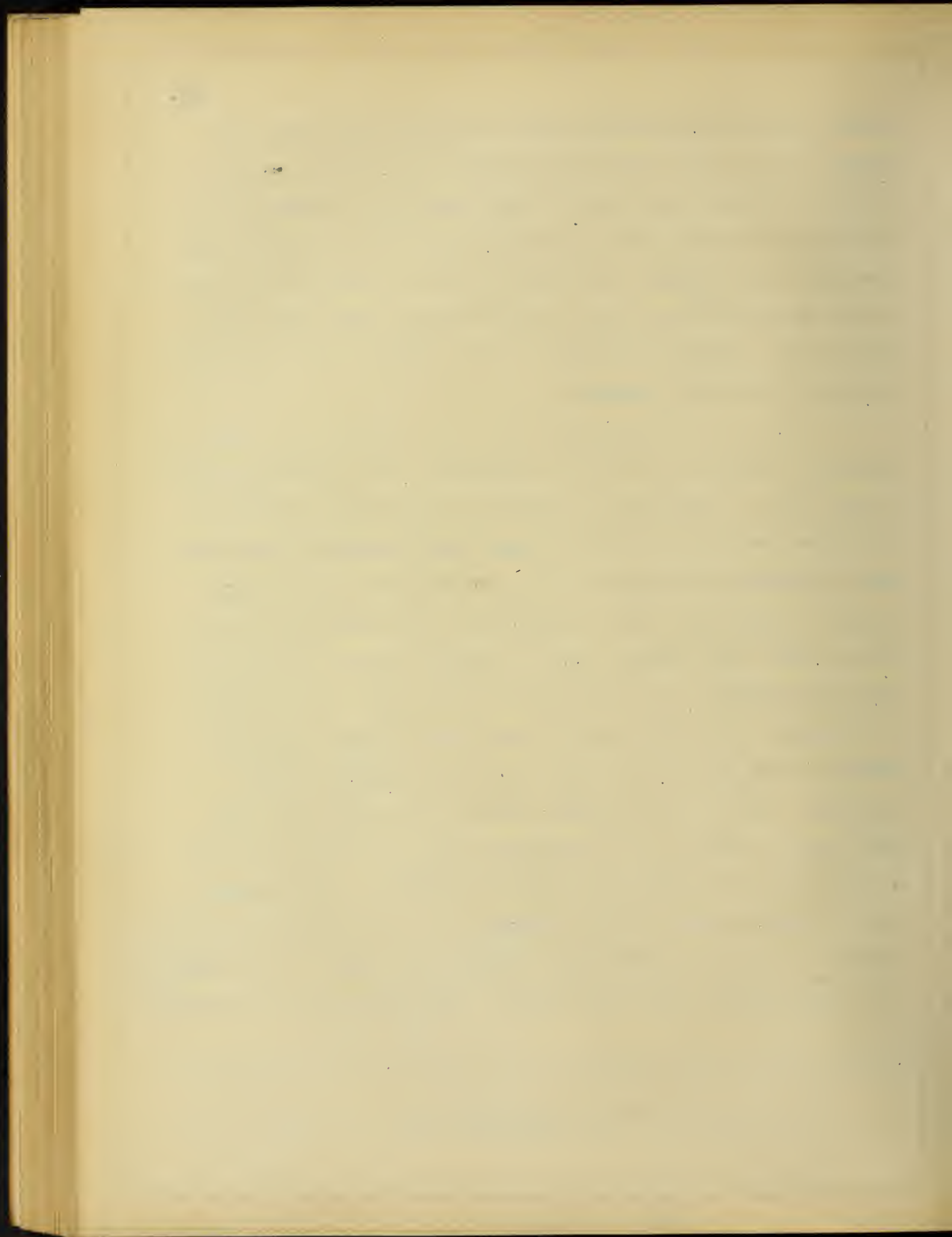
In other instances the reverse is true. For example, Aurora receives \$69.00 per million gallons pumped; Decatur, \$92.00;



Ottawa, \$5.00; and Springfield, \$72.00; while the income of several other cities ranges above \$50.00 per million gallons. In all of the above mentioned cities except one (Ottawa), the cities are receiving fire protection free, or at a cost of less than \$17.00 per hydrant; and this in spite of the fact that two of the municipalities (Aurora and Bloomington) have high operating costs. Under such conditions the taxpayer profits at the expense of the water consumer..

It has been mentioned that in two instances the cost of operation was high, that is, in comparison with the other plants of the state. Conditions of operation vary widely in different localities, and it is unfair to make "snap" judgment concerning the efficiency of management in any particular city. We may, however, compare the cost of operation in the municipal plants of the state with similar items of typical private plants. The operating expenses per million gallons for nine private plants in Wisconsin, were during recent years, as follows: Appleton, \$36.73; Beloit, \$23.35; Eau Claire, \$18.24; Fondy^{sw} Lac, \$20.31; Green Bay, \$48.79; and Sheboygan, \$24.74. An average for the nine plants is \$29.78 or allowing for pump slip (which was done in the figures for municipal plants) is \$33.08.¹ The average cost of operation per million gallons for thirteen municipal plants in Illinois is \$27.38 per million, and eight of the number fall considerably below this figure. This would seem to indicate

1. Rp.Com. of Wis., supra cit., 283.



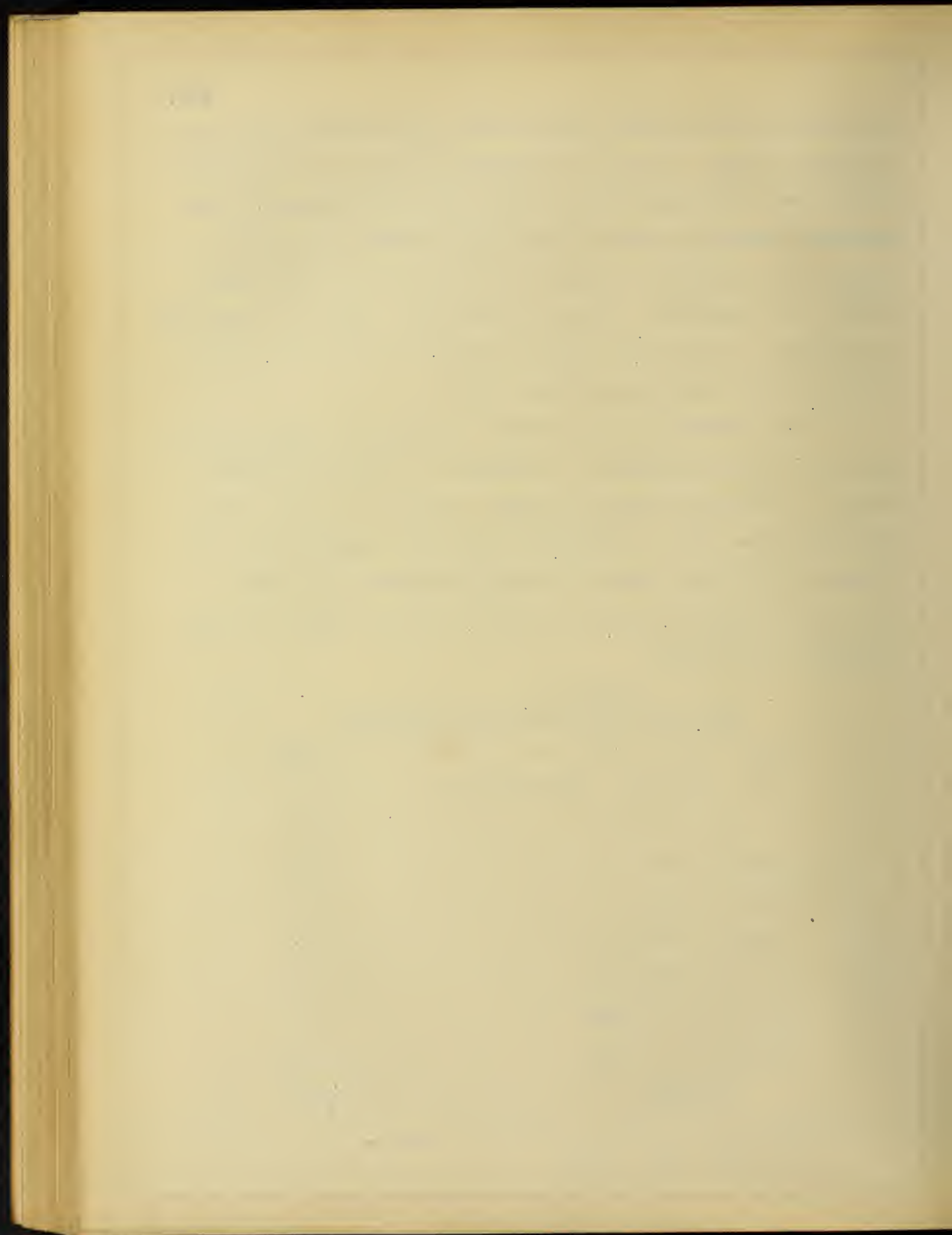
that municipally operated plants compare successfully with those in private hands. It must be remembered, however, that municipal plants pump large quantities of free water, and frequently have unmetered service, in which events the favorable showing of public plants might be accounted for by the law of decreasing costs, - with cheapened increased production, rather than thru any retrenchment or economical administration by public officials. Caution would commend this latter view.

The situation may be further analyzed by comparing the ratio of operating expenses to revenues in public and private plants. In Wisconsin private plants are allowed to earn operating expenses, plus a reasonable profit, and depreciation. The "total of all costs" shown in table 2¹ represents the same earnings for municipal plants. For ten private plants the percentages in 1908 were:

Table 20.
Ratio of Operating Costs to Revenues.

Appleto Water Works Co.....	63.04%
Beloit Water, Gas & Electric Co....	41.01
Eau Claire Water Co.....	38.04
Fon du Lac Water Co.....	33.69
Green Bay Water Co.....	42.73
Janesville Water Co.....	47.40
Manitowac Water Co.....	46.99
Marinette City Water Co.....	34.57
Sheboygan City Water Co.....	27.34
<u>Average</u>	39.34

1. Supra. Cit. p.282.



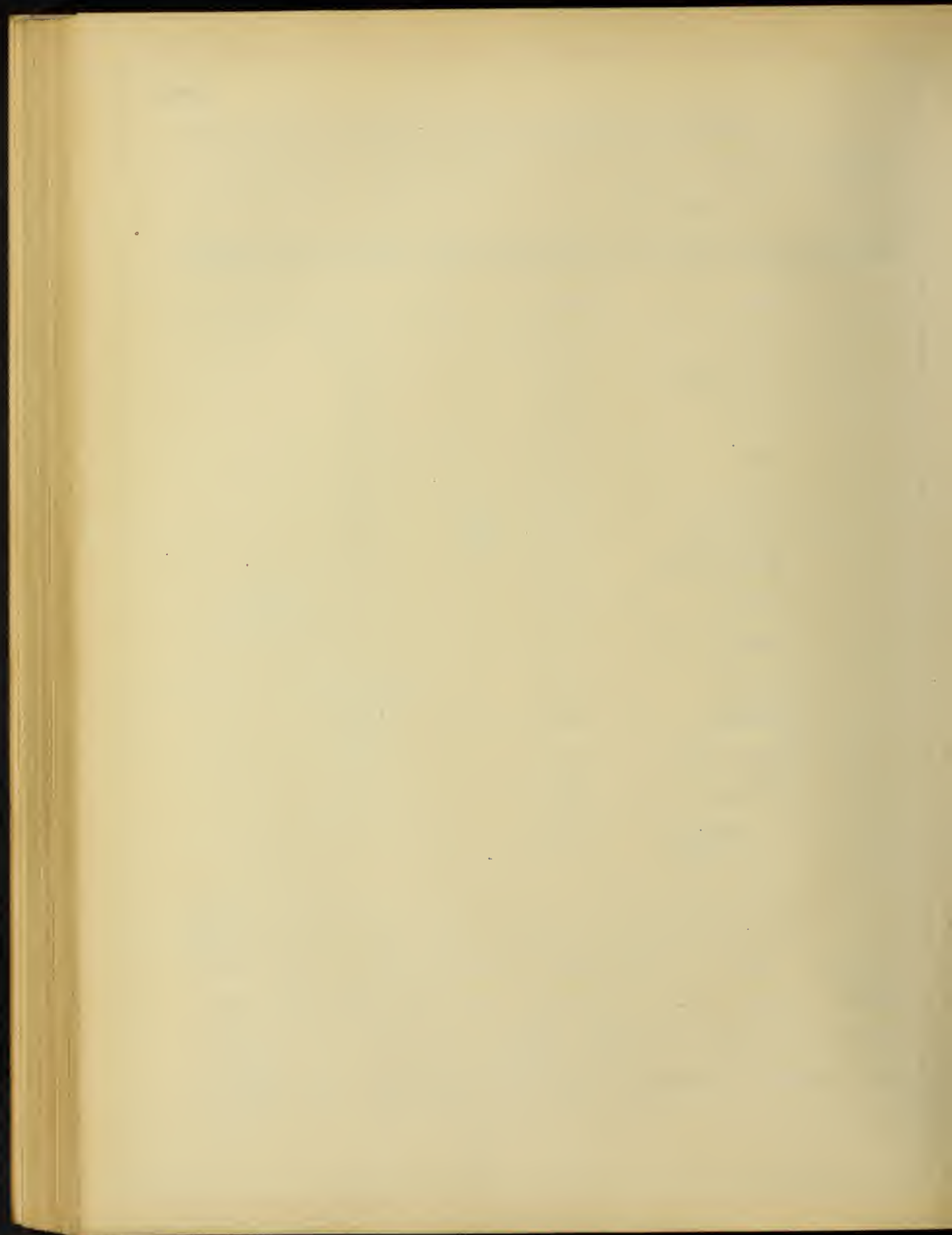
For thirteen municipal plants in Illinois the ratio of operating costs to revenue and to "total of all costs" was:

Table 21.

Ratio of Operating Costs to Revenues and " Total of all Costs".

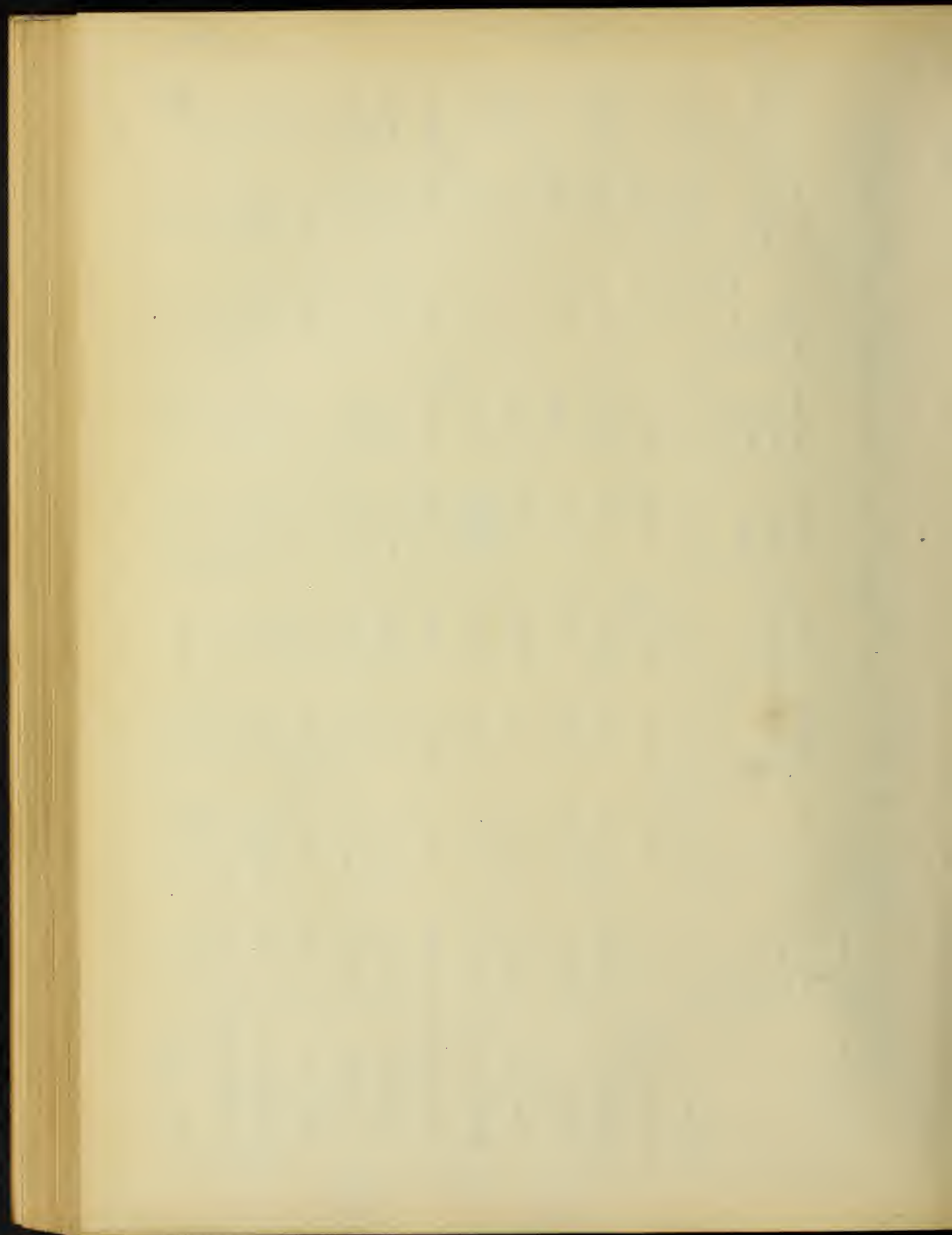
City.	Revenue.	"Total of all Costs"
Aurora	57.8%	52.1%
Bloomington.	74.0	59.2
Decatur	46.7	55.4
Elgin	46.4	40.0
Evanston	29.7	48.3
Galesburg	79.1	58.0
Jacksonville	66.5	49.4
Joliet	109.2	54.0
LaSalle	97.5	55.0
Ottawa	56.0	40.5
Rockford	49.5	43.0
Rock Island	41.7	38.4
Springfield.	44.1	59.6
<u>Average</u>	61.3	50.2

The conclusions to be drawn from these two tables are abvious. One city is operating its water works at a net loss, another within 2.5% of its income, and seven spend more than one half of their income for operating purposes. It is patent that either the operating expenses of municipal plants are



Statistics relative to cost per hydrant in municipal water plants in Illinois Cities.

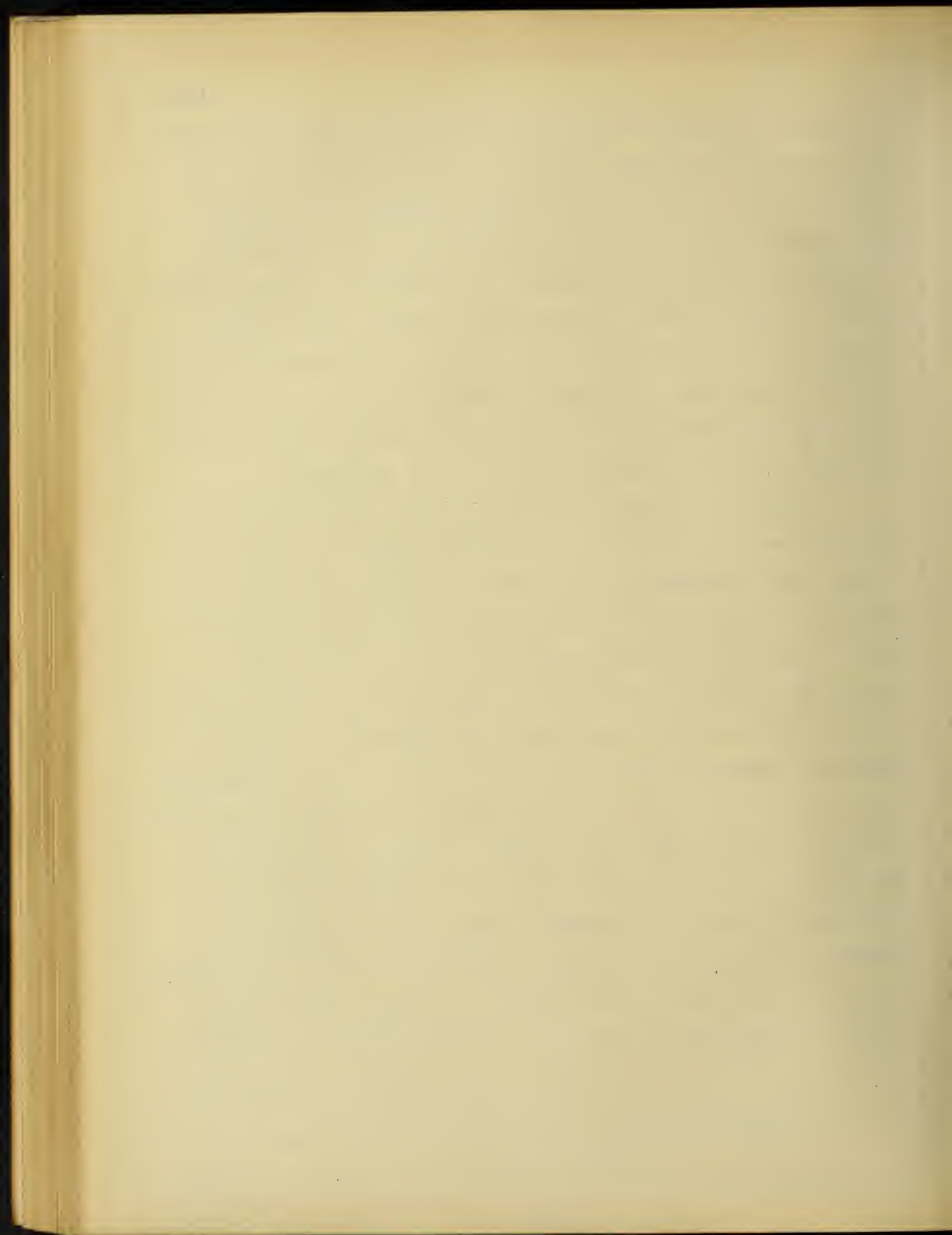
	Estimated interest value of plant 1909	at 4%.	Reserve- tion at 1%	Cost of Operation	Total of all costs.	Income from water meter	Net Income	Number of Hydrants	Cost per Hydrant
Aurora	530,000	20,000	5,000	26,000	51,000	45,032	5,968	517	11.50
Bloomington	350,000	14,000	3,500	25,268	42,768	34,307	8,461	506	16.72
Deerfield	450,000	18,000	4,500	28,000	50,500	60,000	9,500	540	Profile
Elgin	585,000	23,400	5,850	19,488	48,738	42,000	6,738	430	15.67
Evansville	600,000	24,000	6,000	27,873	57,873	93,697	35,824	578	Profile
Madison	285,000	11,400	2,850	19,530	33,780	24,614	9,066	386	23.49
Indianapolis	225,000 ²	9,000	2,250	11,002	22,252	16,554	5,698	205	27.79
Indianapolis	600,000	24,000	6,000	34,985	64,985	32,000	32,985	341	96.73
La Salle	250,000	10,000	2,500	15,297	27,797	15,694	12,103	105	115.26
Ottawa	235,000	9,400	2,350	8,000	19,750	14,266	5,484	167	32.83
Rockford	849,094	33,963	8,490	31,833	74,286	64,449	9,837	519	18.95
Rock Island	900,000	36,000	9,000	28,000	73,000	64,700	8,300	254	32.68
Springfield	707,811 ¹	29,750 ³	7,078	54,258	91,086	123,083	31,997	806	Profile



too high or the charges for water are too low. The second column of the second table shows operating expenses in relation to the "total of all costs". A most liberal allowance has been made for interest and depreciation, yet the percent for operation, with one exception, is higher than the average for private plants. On the average the ratio is ten percent higher. While these figures are not favorable to, they are not an arraignment of the municipal ownership. As counter evidence it may be advanced that low rates are accompanied by liberal use of water, both of which are matters of city policy and not of plant management.

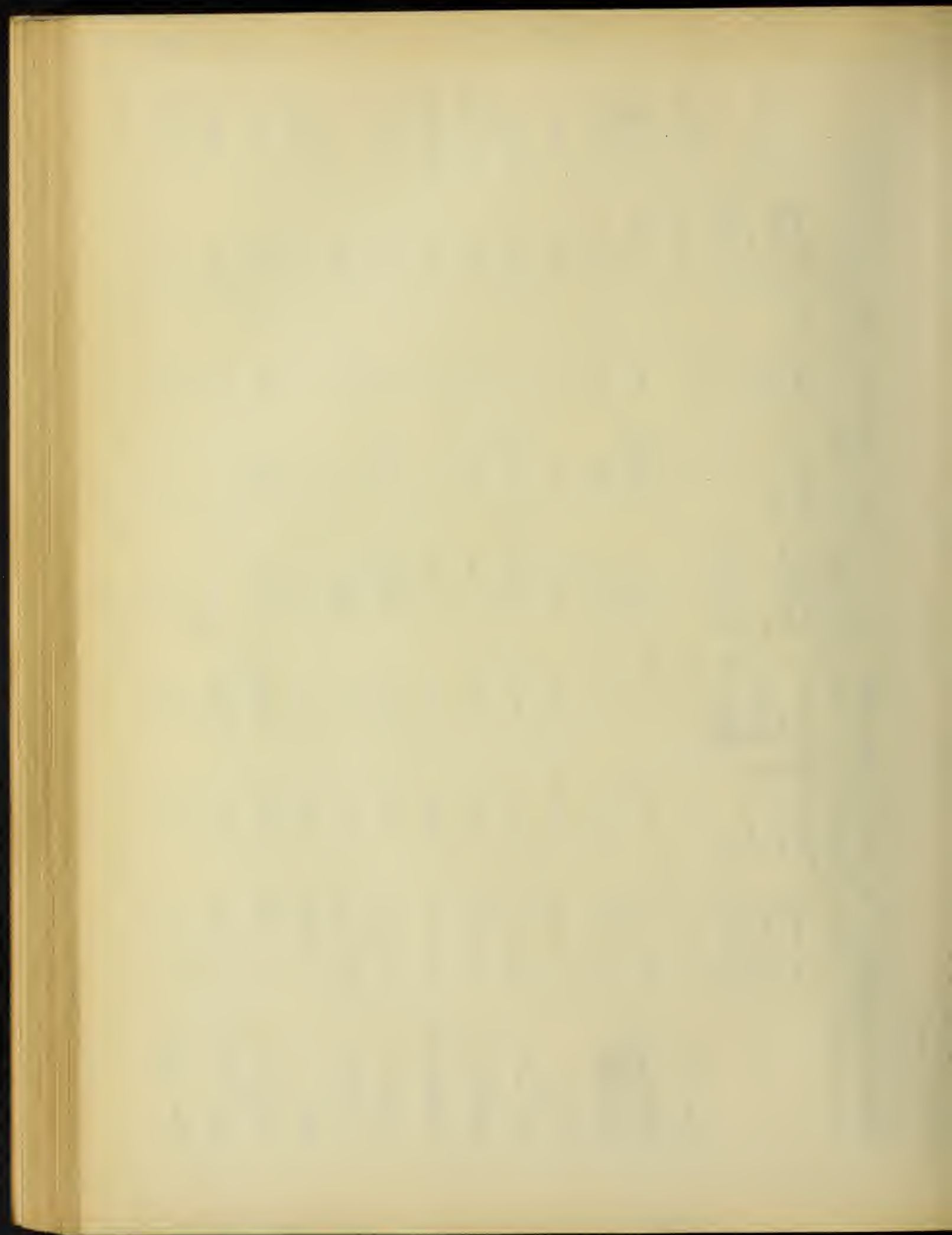
Meter or fixture rates have a decided influence upon the net revenues of a water plant. A metered plant may operate at a loss thru extravagance or low rates; a fixture plant has the handicap of wasted water in every case. In table 23 is stated the per capita daily water consumption of the cities under consideration. The metered plants have an average daily consumption of sixty-nine gallons per person, while the average for the remainder is almost double or one hundred and thirty-two gallons. The purpose of the meter is not to require the payment of more, but to regulate the consumption of water. In fact, in Springfield, the consumer saved from 25 to 50% by the adoption of meters.¹ The immediate adoption of meters, because of the extraordinary decrease in consumption a temporary diminution of the city income until the saved water is purchased by new users. The saving in the cost of operation, however, is noticable from the beginning.

1. Springfield, Ill. Annual Report of Water Works. 1910.p7.
(see next page)



Statistics relative to cost of operation per million gallons pumped by
municipal water plants in Illinois cities in 1929.

	Average daily pumpage (gallons)	Total cost per million gallons	Income per million gallons	Cost of operation per million gallons	Miles of main	Hydrants per mile	Average per capita daily consumption	Kind of service
Aurora	1,789,000	78.30	69.00	40.00	61.	8.5	60 gals.	Metered
Bloomington	1,750,000	67.00	53.75	39.60	46.75	10.8	67	Metered
Decatur	3,000,000	46.00	92.00	25.30	50.	10.8	96	Metered
Elgin	2,292,000	58.00	56.15	22.15	56.	7.6	88	53% ^b
Evansville	6,056,000	26.00	42.20	12.60	75.07	7.7	148	Portage
Halesburg	2,000,000	46.20	33.80	26.80	37.25	10.3	87	Metered
Jacksonville	800,000	77.10	56.75	37.65	30	6.8	52	Metered
Joliet	4,500,000	39.40	19.50	21.12	39.38	8.6	129	32% ^b
Lincoln	2,500,000	32.00	17.20	16.80	16.	6.5	252	
Ottawa	600,000	90.20	65.00	36.50	27.	6.2	54	Metered
Rockford	3,612,000	56.50	48.90	24.20	90.5	5.7	85	51% ^b
Rock Island	3,500,000	55.80	48.50	21.40	37.	6.8	134	15% ⁷
Springfield	4,678,000	53.50	72.00	31.80	97	8.3	91	51% ^b



In Elgin with only one-half of the taps metered, the saving in one year (1907-08) was \$6,000, the annual pumpage being reduced fifty million gallons. The wasted water is paid for, not in proportion to what is wasted by the individual, but in proportion to what is wasted on the average. It is only equitable that each consumer should pay upon a graduated scale for the water which he consumes, plus a fixed charge for booking, repairing, cost of meters, meter reading, etc.

A further immense loss to commercial revenues is due to the loss of water by leakage. An investigation of the municipal plant at Madison, Wis., showed that only 45% of the water pumped reached the consumer. A very conservative estimate for the city of Springfield was that 22% of the pumpage was being lost. The estimated life of water pipes is one hundred years. In heavy soils mains may last longer than this, but in light or stony ground, or where there is action by electrolysis, the duration cannot be estimated. Perhaps several municipalities which are contemplating new wells and increased plants to supply the demand for water, might find it cheaper to investigate the conditions of mains lying parallel to street car tracks, or which have been long in the ground.

1. (On preceeding page).

In this excellent report upon a rather inadequate plant, Mr. Willis J. Spaulding presents some very reasonable arguments for metered service and for the payment of extensions by the property frontage owner.

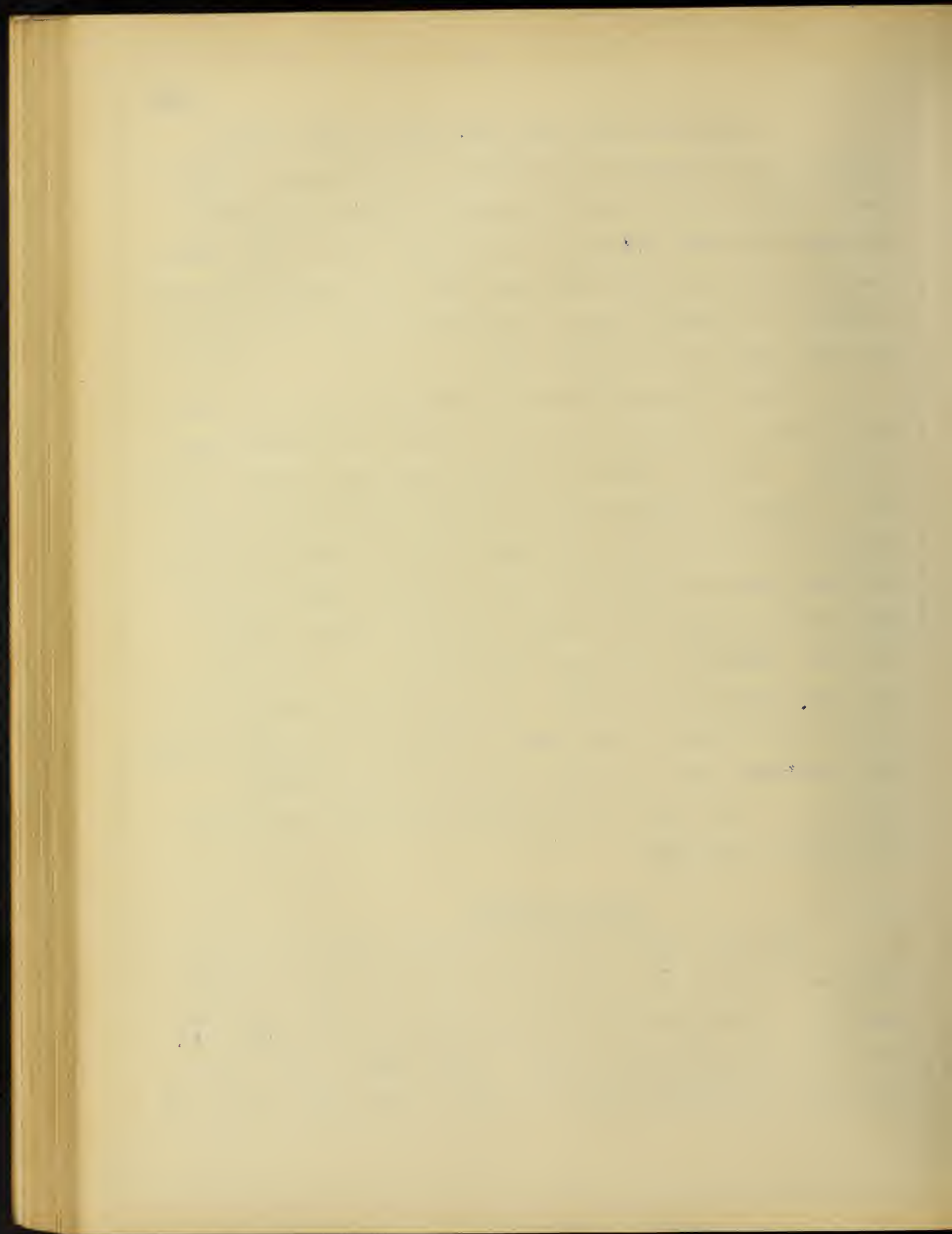
THE HISTORY OF THE
CITY OF LONDON
FROM THE FOUNDATION
TO THE PRESENT
BY
JOHN STOW
1618

In connection with water mains may be added a word concerning the extension of the system of distribution. It has been suggested that the cost of laying new pipes be charged to frontage rather than paying it from the water fund or from taxes. Nearly one-half the cities mentioned here have adopted this scheme in whole or in part in spite of the fact that many miles of mains have been laid out of the water fund.

Under the water fund plan of extensions there is a constant rivalry of different sections of the city to secure water services. Since the funds are limited, favoritism and ill feeling may be expected, combined with an absolute restriction upon the growth of the city. Also, when pipes are laid in sparsely settled districts, there is a distinct rise in property values to which the owner has contributed nothing, the water consumer bearing the cost. Under the old system the consumer, in the end, not only paid for his own frontage, but also for the frontage of the vacant property owner. The change to the special assessment method would only mean that the consumer would not pay for his own frontage in a lump sum, and be relieved from paying the cost of his neighbor's improvement.

Lighting Plants.

Municipal lighting plants in Illinois make no return to the city treasury since they are not permitted to sell commercial lighting, yet they need be considered owing to their close relation with municipal water plants. In all cases in the cities considered the lighting plants are a part of the water system, and



bear a fixed proportion of the costs of operation.

An act of the legislature of 1883¹ permits the establishment of such plants by providing for a three mill tax levy for the purpose. As a result six cities do their own public lighting, a statement of their costs being presented in Table

The matter on interest on the value of public plants has been previously discussed, the rate taked being four percent. With depreciation, the rate is much higher in electric plants than in water works. From data furnished by the Railroad Commission of Wisconsin the average life of a complete electric light plant has been estimated at 17.46 years.² In municipal plants,

1. Rev. Stat. Ch. 24 par. 281.

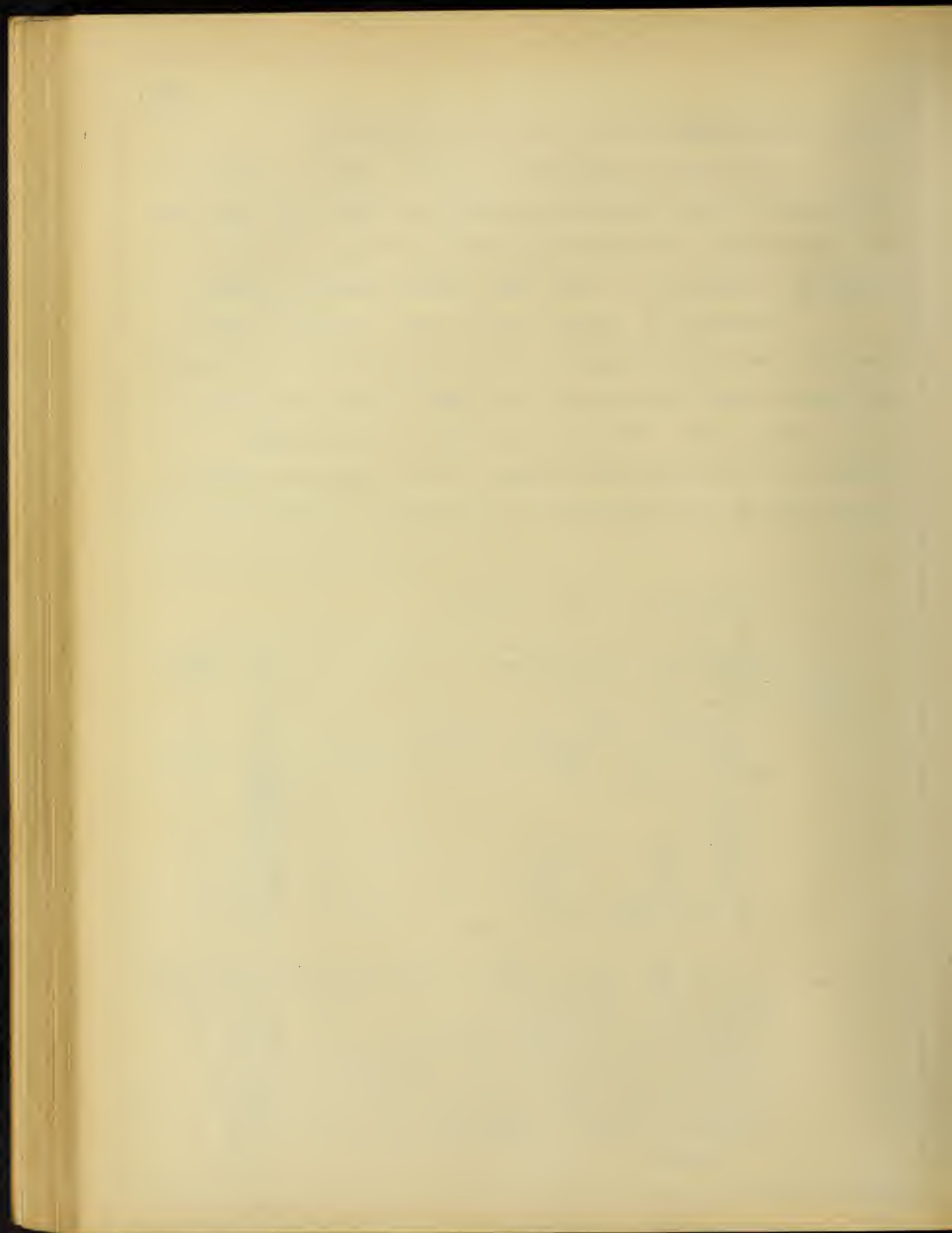
2. The unit lives involved in municipal lighting are:

Generators and Roteries.....	20	Years
Static transformers.....	20	"
Steam turbo-generators	20	"
Switchboard and wiring complete	20	"
Lightning arresters	10	"
Weather proof copper wire installation....	16	years
Underground cable	25	"
Aerial Cables.....	15	"
Manholes	50	"
Conduits.....	12-18	"
Cedar poles in earth.....	20	"
Cedar poles in condrete	40	"
Pole anchors and guys	12-15	"
Service transformers	15	"
Arc lamps and span equipment.....	15	"

With unit lives similar to these, the composite life of complete electric systems was computed as follows:

Madison Gas & Electric Co.	17.02	years
Ripon Light and Water Co.....	18.24	"
Superior Light & Power Plant.....	17.91	"
Chippewa Falls Water Works & Light Co....	15.60	"
Green Bay Traction Co.....	16.73	"
Ashland Light, Power & Traction Co.....	18.03	"
Wisconsin Traction, Light and Power Co...	20.59	"
Menomonie Light - Traction Co.	17.54	

Average..... 17.46 "

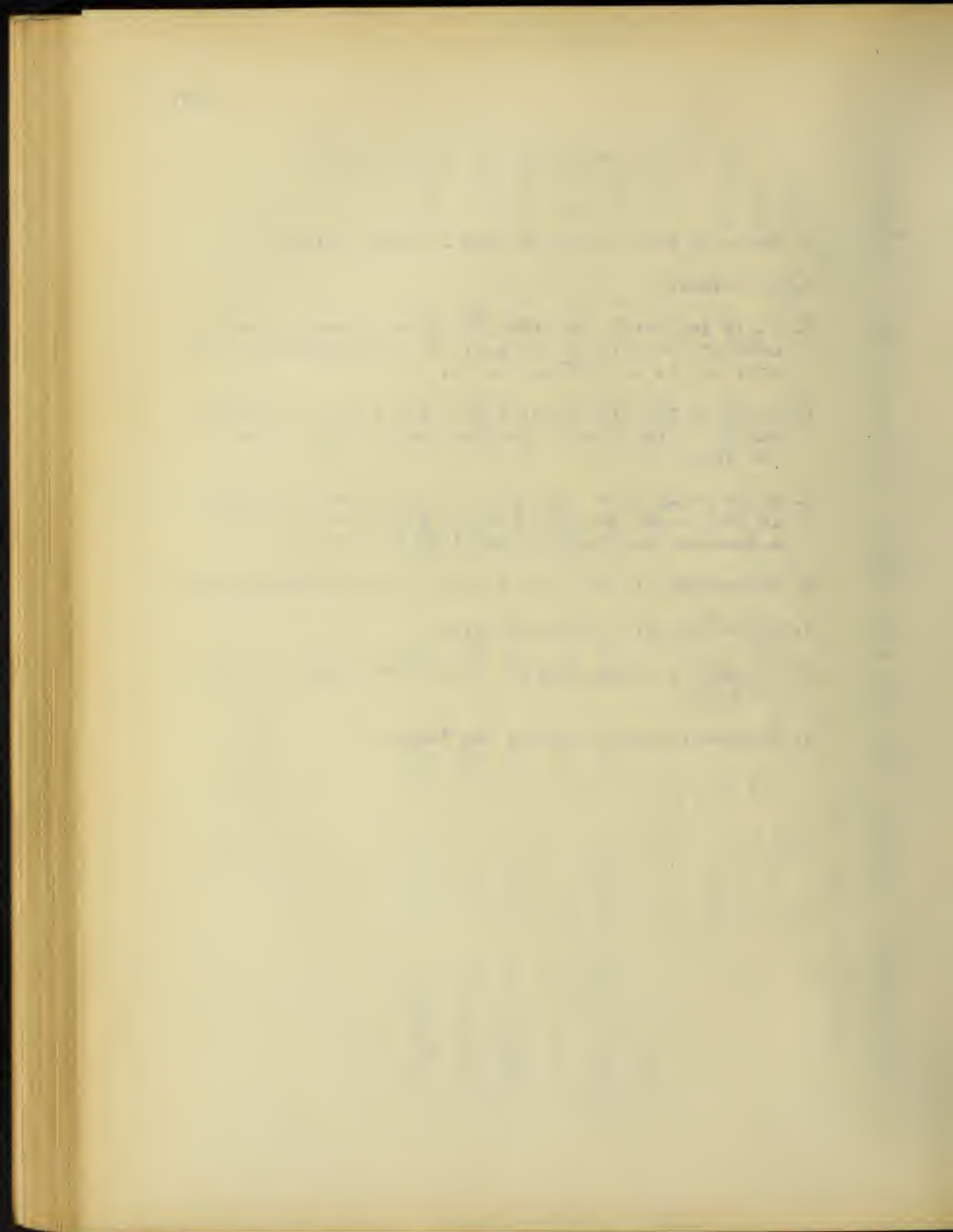


Statistics relative to the operation of municipal lighting plants in 1909

Table XXIV.

108.

	Estimated value of plants	Interest at 4%	Depreciation at 5%	Cost of operation	Total of all costs	Number of arc lamps	Cost per lamp.
Aurora	40,000	1600	1200	10,014	12,814	418	30.65
Bloomington	100,000	4000	3000	17,291	24,291	442	54.95
Decatur	85,000	3400	2550	14,000	19,950	300 ⁸	66.50
Galena	45,000	1800	1350	10,000	13,150	336	39.13
Jacksonville	25,000	1000	750	8,000	9,750	226	43.14
LaSalle	50,000	2000	1500	5,500	9,000	114	79.82



Foot Notes to Tables 22,23, and 24.

1. Value of parts actually used for water plant.
2. Estimated.
3. It is estimated that \$850,000 of the bonded indebtedness of the city is chargeable to the waterworks. The interest is at 3.5% per annum.
4. Expenses for eight months plus the pay roll for four months. Plant was in private hands during a portion of the year.
5. To be accurate an estimate of taxes should be included in this cost, but owing to the different rates of assessment and taxation the item is omitted.
6. Percentage of the water revenue from metered services.
7. Percentage of services metered.
8. Is rapidly increasing the number of lamps to seven hundred.
9. Expense for seven months was \$5842.

1. Editor of the Journal of the American Medical Association:

Dear Sir:

2. It is estimated that 800,000 of the human population
are afflicted with tuberculosis. The
disease is the most common cause of death in the United States.

3. Because the great majority of the human population
are afflicted with tuberculosis, it is a disease which is
the most common cause of death in the United States.

4. In the treatment of tuberculosis of the lungs, the most
important factor is the administration of the drug, streptomycin,
which is the most effective drug in the treatment of this disease.

5. Streptomycin is the most effective drug in the treatment of tuberculosis.

6. Streptomycin is the most effective drug in the treatment of tuberculosis.

7. Streptomycin is the most effective drug in the treatment of tuberculosis.

8. Streptomycin is the most effective drug in the treatment of tuberculosis.

maintaining only an arc system, the lives would be a trifle longer than this. The Wisconsin Commission estimate in the case of the Menominee and Marinette Light and Water Co. was 19.72 years. This would require a simple depreciation charge of five percent per annum; or allowing four percent compound interest upon the depreciation fund, the necessary rate would be 2.42%. At three percent interest the rate would be 2.85%. Between the extremes, possibly three percent may be considered as a fair rate of depreciation.

In Table 24 is shown the estimated value of the public lighting plants; the interest on these sums at four percent; depreciation at three percent; cost of operation for the last fiscal year; "total of all costs"; number of lamps and the estimated cost per lamp.

The figures for the total cost per lamp may be compared with those prices paid to private plants in the cities not having municipal plants. In table 25 these are given with the number of lights and the schedule upon which they are run.

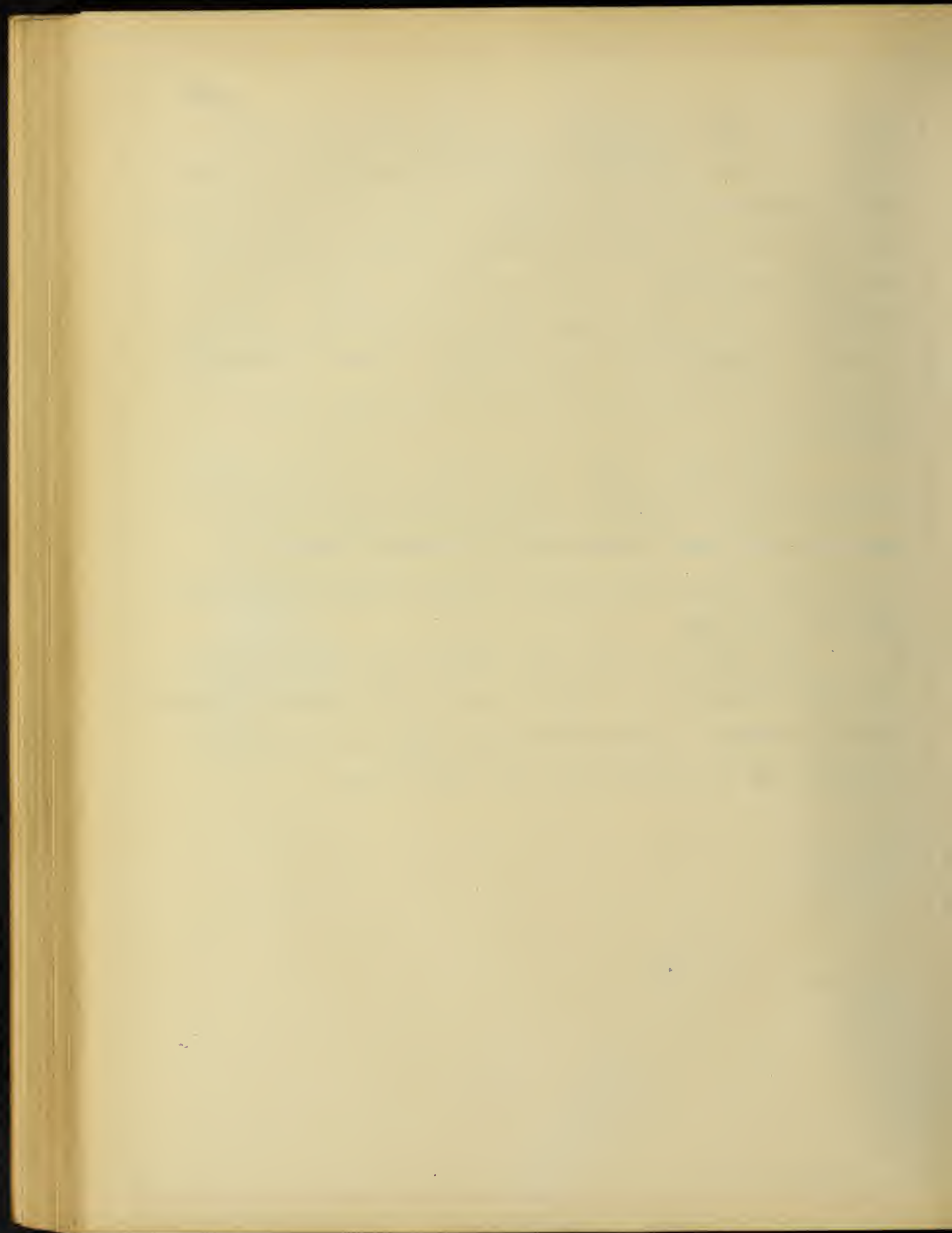


Table 25.

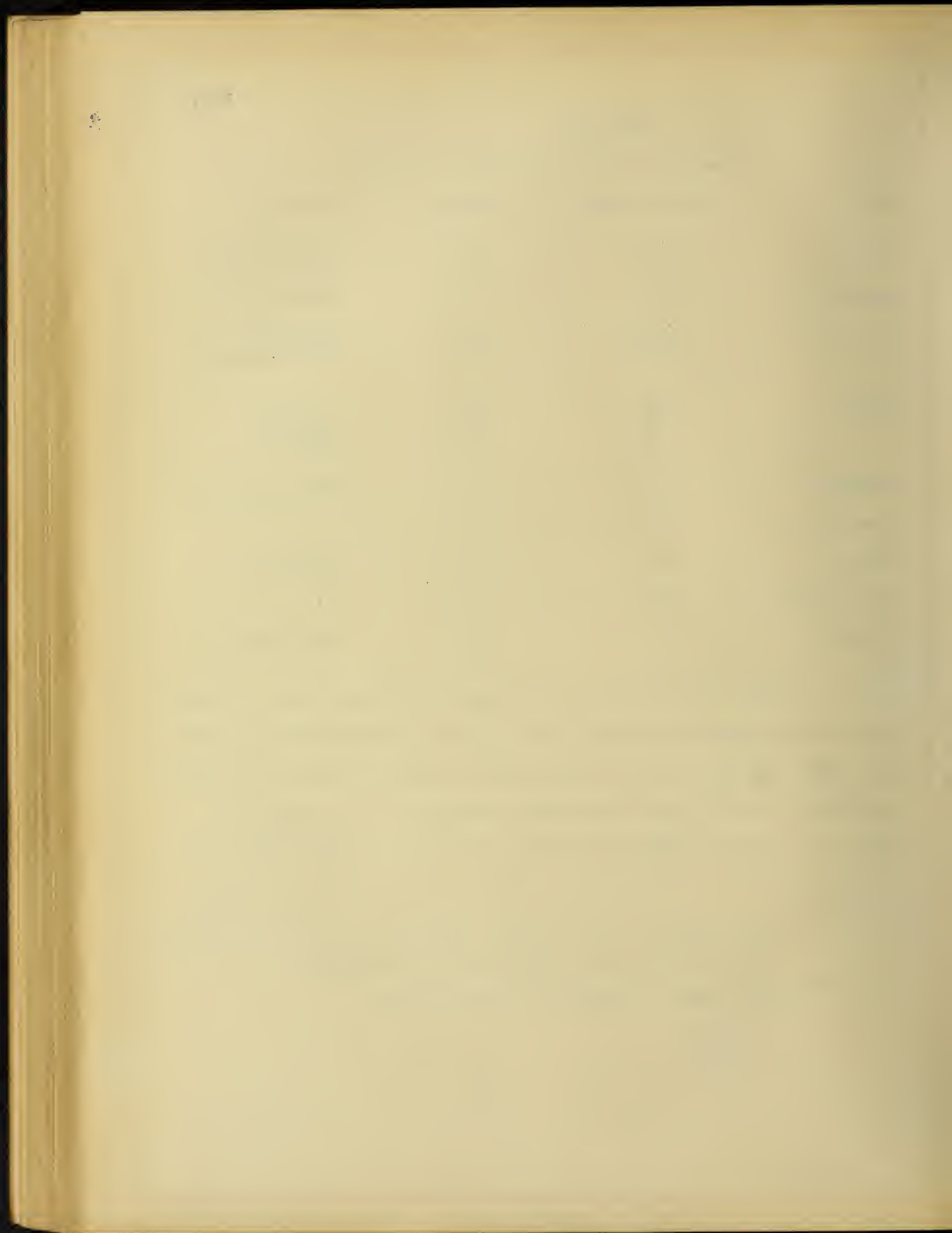
Charges by Private Plants for Arcs.

City.	No. of Lights.	Charge	Schedule.
Alton	250	69	Philadelphia.
Belleville	351	70	Complete.
Danville	55	60	Complete
	425	40	Philadelphia.
Elgin.	247	58	Complete
	103	48	Limited
	43	42	Limited.
¹ Evanston	386	60	Philadelphia.
Freeport	130	70	
² Rockford	501	52	Complete.
Rock Island	287	60	
Streator	161	65	Philadelphia.

Such a comparison is, however, of little value. In the first place municipal plants do not adopt a steady schedule, but burn their lights as the circumstances require. Further, no great dependence can be placed upon the valuation of the plants or upon the costs of operation which are given. In most cases the

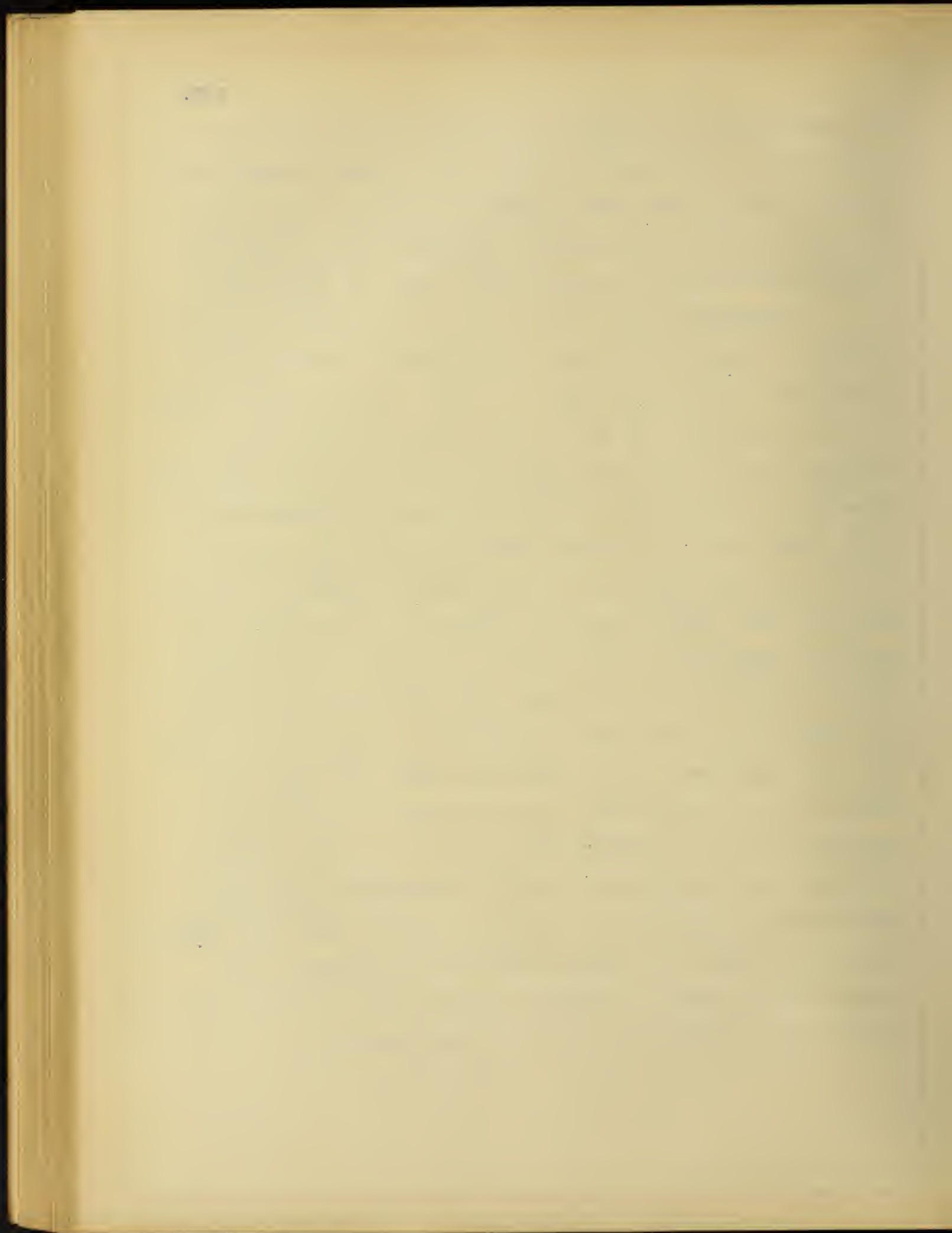
1. New schedule now in force, - \$62.50 for overhead service; \$72.50 for conduit services, all complete.

2. City owns the means of distribution.



are percentages of the same set of figures for the municipal water plants. The lighting plants could probably be duplicated in every case for the amount stated; the operating costs cannot be checked against since they are frequently given as one-third of the combined costs of operating the light and water plants.

Remembering these likitations upon the accuracy of our figures, it appears that three cities, Aurora, Galesburg and Jacksonville are securing light at a less cost than could be done by private contract. In two of the remaining cities the circumstances would point to an actual rate which is lower than that shown here. Galesburg is rapidly extending to a seven hundred light system, while the figures from Bloomington have appeared to be purely guess work rather than a careful estimate. It would seem that when lighting plants are operated in combination with municipal water works, using boilers which under normal circumstances would stand idle at night, the result would be lighting at a small cost. Some superintendents have complained that since they are not allowed to sell commercial power and light, the plants are at a disadvantage. Such permission would put into usefulness valuable machinery wich is now idle during the day time, with quite satisfactory results. In smaller cities where the municipal lighting is the principal item of light, the erection of a private plant is a useless duplication of works, or the introduction of modern lighting is delayed until the private industry can be supported without the public contracts.



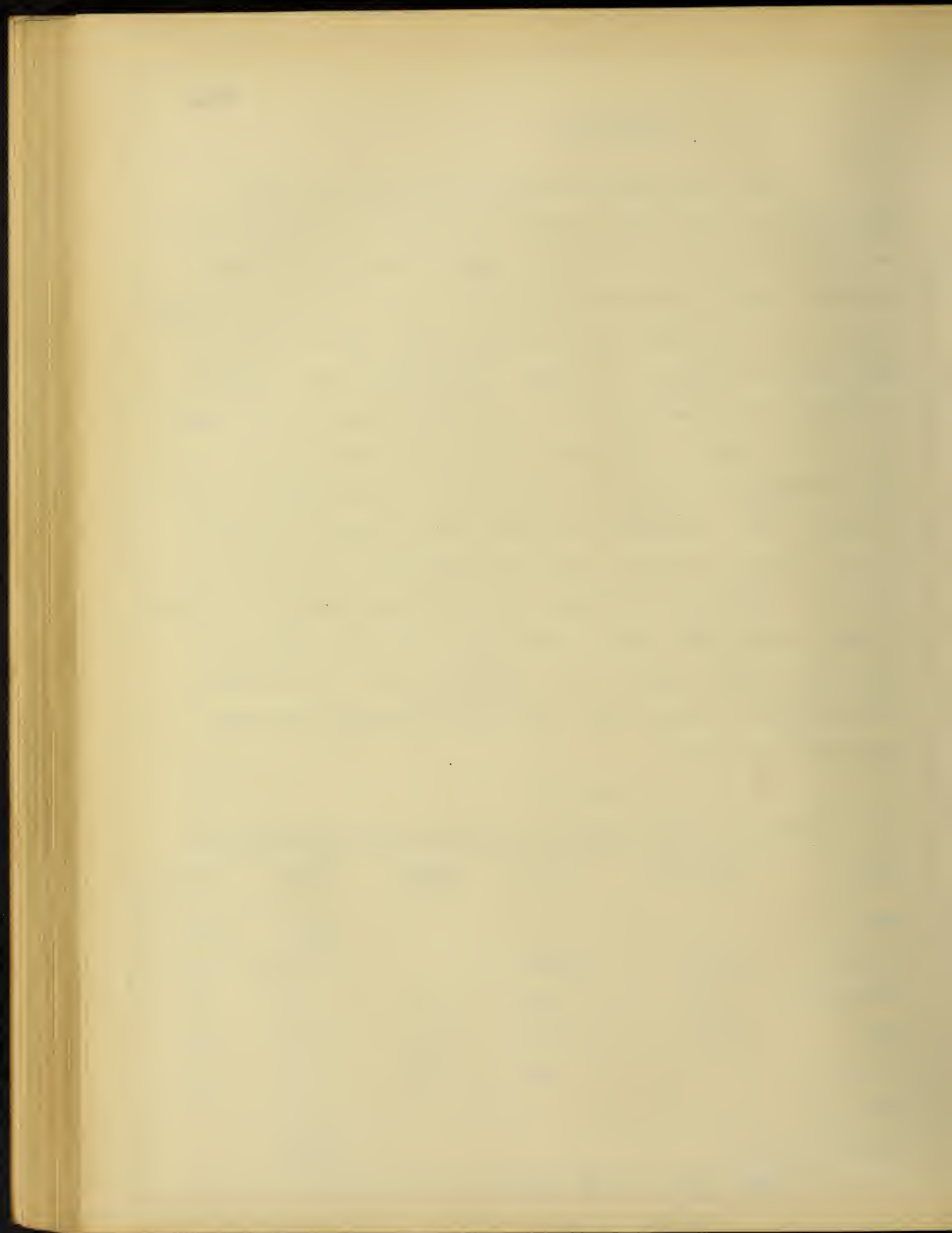
Cemeteries.

Public cemeteries are authorized by an act of the legislature of 1874, which permits cities and villiages to acquire property, sell lots, and provide a board of control for burial grounds.¹ Burial grounds are owned by seven of the municipalities visited and in an eighth (Moline) they become public next year. The ownership, however, is of small importance, both in regard to revenue and necessity. Nor are the charges such that the operation can be compared with that of privately owned grounds. From the point of revenue the operation of these grounds is at a decided loss. Omitting from consideration, both the interest on the original investment, and the depreciation by the sale of each lot, the cost of operation and maintenance exceeds the income in three of the five cases in which the costs were obtainable. the sums involved, however, are inconsiderable. The following table shows the revenue, also the cost of operation where this item could be secured.

Table 26.

Income and Cost of Operation of Municipal Burial Grounds.

Ctiy.	Interment Fees.	Sale of Lots.	Miscel. Revenue.	Total Revenue.	Cost of Operation.
Aurora				\$2646	\$1296
Belleville	\$2266	\$1455		3721	3500
Bloomington	334	304	\$ 4	638	841
Elgin	1420	4177	1141	6738	7220
Freeport		259	238	497	1697
Galesgurg				1487	
Jacksonville				2160	



Public Libraries.

The income accruing to libraries might logically be tabulated with other city revenues, according to the source, as fines, rents, etc. For purposes of comparison, however, and since these sums seldom reach the city treasury, the treating of library revenues as distinct from city revenues is preferable.

In Table 27 is shown the income from twenty-two public libraries. The latter part of Table 27 refers to book circulation which more or less influences the amount of revenues.

Two libraries, in Alton and Ottawa, are dependent upon endowment for practically their entire support, the latter receiving a city appropriation of only five hundred dollars per year; Champaign is partially independent of municipal support; Evanston has two small funds, the interest of which is applied to the purchase of books upon medicine and music; while Quincy has for general purposes the income of a very small sum of money. Even aside from the gift of library buildings by one individual, public libraries are the most favored of city institutions by private benefactions. In Alton, Champaign and Ottawa, the libraries are housed in buildings furnished by the donor of an endowment; while in Alton and Ottawa, the endowment is sufficient to place the management independent of city control.

Fines, which are first in importance of the incidental revenues, bear some rough relation to the number of books in circulation. The concomitant is, however far from exact, indicating probably, not a difference in the promptness of book borrowers, but rather a variation in the enforcement of library

1870		1871		1872	
Jan	100	Jan	100	Jan	100
Feb	100	Feb	100	Feb	100
Mar	100	Mar	100	Mar	100
Apr	100	Apr	100	Apr	100
May	100	May	100	May	100
Jun	100	Jun	100	Jun	100
Jul	100	Jul	100	Jul	100
Aug	100	Aug	100	Aug	100
Sep	100	Sep	100	Sep	100
Oct	100	Oct	100	Oct	100
Nov	100	Nov	100	Nov	100
Dec	100	Dec	100	Dec	100
Jan	100	Jan	100	Jan	100
Feb	100	Feb	100	Feb	100
Mar	100	Mar	100	Mar	100
Apr	100	Apr	100	Apr	100
May	100	May	100	May	100
Jun	100	Jun	100	Jun	100
Jul	100	Jul	100	Jul	100
Aug	100	Aug	100	Aug	100
Sep	100	Sep	100	Sep	100
Oct	100	Oct	100	Oct	100
Nov	100	Nov	100	Nov	100
Dec	100	Dec	100	Dec	100
Jan	100	Jan	100	Jan	100
Feb	100	Feb	100	Feb	100
Mar	100	Mar	100	Mar	100
Apr	100	Apr	100	Apr	100
May	100	May	100	May	100
Jun	100	Jun	100	Jun	100
Jul	100	Jul	100	Jul	100
Aug	100	Aug	100	Aug	100
Sep	100	Sep	100	Sep	100
Oct	100	Oct	100	Oct	100
Nov	100	Nov	100	Nov	100
Dec	100	Dec	100	Dec	100

Revenues from Public Libraries in 1909.

	Fines	Renting Collection	Rents	Endowment Income
Alton	\$253	None	None	\$2400
Aurora	396	None	None	None
Belleville	97	31	None	None
Bloomington	----	150	\$950	None
Champaign	243	None	10	500
Danville	239	None	None	None
Decatur	358	None	None	None
E. St. Louis	238	None	None	Npne
Elgin ¹	229	None	None	None
Evanston	881	235	----	262
Freeport	79	18	None	None
Galesburg	370	341	None	None
Joliet	403	None	----	None
LaSalle				
Moline				
Ottawa	89	None	75	4718
Peoria	1017	None	188	None
Quincy	24	None	25	65
Rockford	398	220	430	None
Rock Island				
Springfield	476	None	None	None
Streator	181	None	None	None
Urbana	40	None	None	None

1. Township Library.

Table 27. (Cont.)

	Other Revenue	Total Revenue	Endow- ment	Av. Daily Circulation	Pop. per daily book
Alton	None	\$2653	\$50,000	284	61
Aurora	None	396	None	312	95
Belleville	None	128	None	150	160
Bloomington	350	1450	None	325	80
Champaign	None	753	10,000	160	77
Danville	None	239	None	270	103
Decatur	None	358	None	362	86
E. St. Louis	30	268	None	352	193
Elgin	None	229	None	681	1
Evanston	252	1730	6929	353	69
Freeport	None	97	None	214	82
Galesburg	179	890	None	505	40
Joliet	639	1042	None	386	90
LaSalle					
Moline					
Ottawa	5	4887	75,000	71	155
Peoria	None	1205	None	679	98
Quincy	None	144	None	330	110
Rockford	None	1048	None	537	84
Rock Island					
Springfield	41	517	None	337	135
Streator	25	206	None	173	90
Urbana	None	40	None	108	76

1. Township Library.

Station	Distance from Station	Distance from Station	Distance from Station	Distance from Station	Distance from Station
1100	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000
900	900	900	900	900	900
800	800	800	800	800	800
700	700	700	700	700	700
600	600	600	600	600	600
500	500	500	500	500	500
400	400	400	400	400	400
300	300	300	300	300	300
200	200	200	200	200	200
100	100	100	100	100	100
0	0	0	0	0	0
100	100	100	100	100	100
200	200	200	200	200	200
300	300	300	300	300	300
400	400	400	400	400	400
500	500	500	500	500	500
600	600	600	600	600	600
700	700	700	700	700	700
800	800	800	800	800	800
900	900	900	900	900	900
1000	1000	1000	1000	1000	1000
1100	1100	1100	1100	1100	1100
1200	1200	1200	1200	1200	1200
1300	1300	1300	1300	1300	1300
1400	1400	1400	1400	1400	1400
1500	1500	1500	1500	1500	1500
1600	1600	1600	1600	1600	1600
1700	1700	1700	1700	1700	1700
1800	1800	1800	1800	1800	1800
1900	1900	1900	1900	1900	1900
2000	2000	2000	2000	2000	2000

regulations

Six libraries rent portions of their buildings, gaining in two instances a considerable income by this means. Carnegie-built libraries are frequently larger than is now needed for library purposes, affording space which may be rented to clubs, or occasionally is occupied as the permanent offices of the school board.

It is somewhat surprising to find that only six libraries have introduced the "renting collection." While the field is limited to the newest and most popular fiction, the books are put in circulation as soon as paid for by the rent secured, permitting the general revenues to be applied in a more profitable direction. The figures on the relation of circulation to population indicate the wide range of library effectiveness in the several cities. This may be due in part to the variation of types of population, yet the librarian cannot be entirely exonerated.

City Hospitals.

Public hospitals may be established upon a majority vote of the citizens, on a proposal initiated by one hundred petitioners, and except for paupers reasonable compensation must be exacted for services rendered.² An examination of the city reports shows

1. Books rented at nominal charge.

2. Laws of 1909, p.308.

no returns from this source paid directly to the city treasury, altho in Ottawa the sum of the collections was reported to the city council. The municipal hospitals of the state are quasi-private institutions, to which appropriations are made by the city, or provisions are made for the care of cases for which the city is responsible.

Recent legislation has also provided for the establishment of tuberculosis sanitariums and legalized a four mill tax for their support.¹ Services are to be free except for medical attendance and similar charges. Several cities have authorized such institutions but their erection is delayed until the financial tangle caused by the recent tax amendment can be cleared up.

Street Railways.

There are no municipal traction systems in operation within the state, tho such have been authorized under certain conditions.² Cities may organise and own street railways upon approval by a majority of the voters voting on such a proposition and may operate such railways on a majority of three-fifths of those voting, or the city may include in a franchise granted, the right to take over the system upon specified terms. The municipality may also transfer privileges acquired in one company to another, tho any lease of publically owned property for longer than five years must be sanctioned by a popular vote.

1. Rev. Stat. Ch. 24 par. 685.

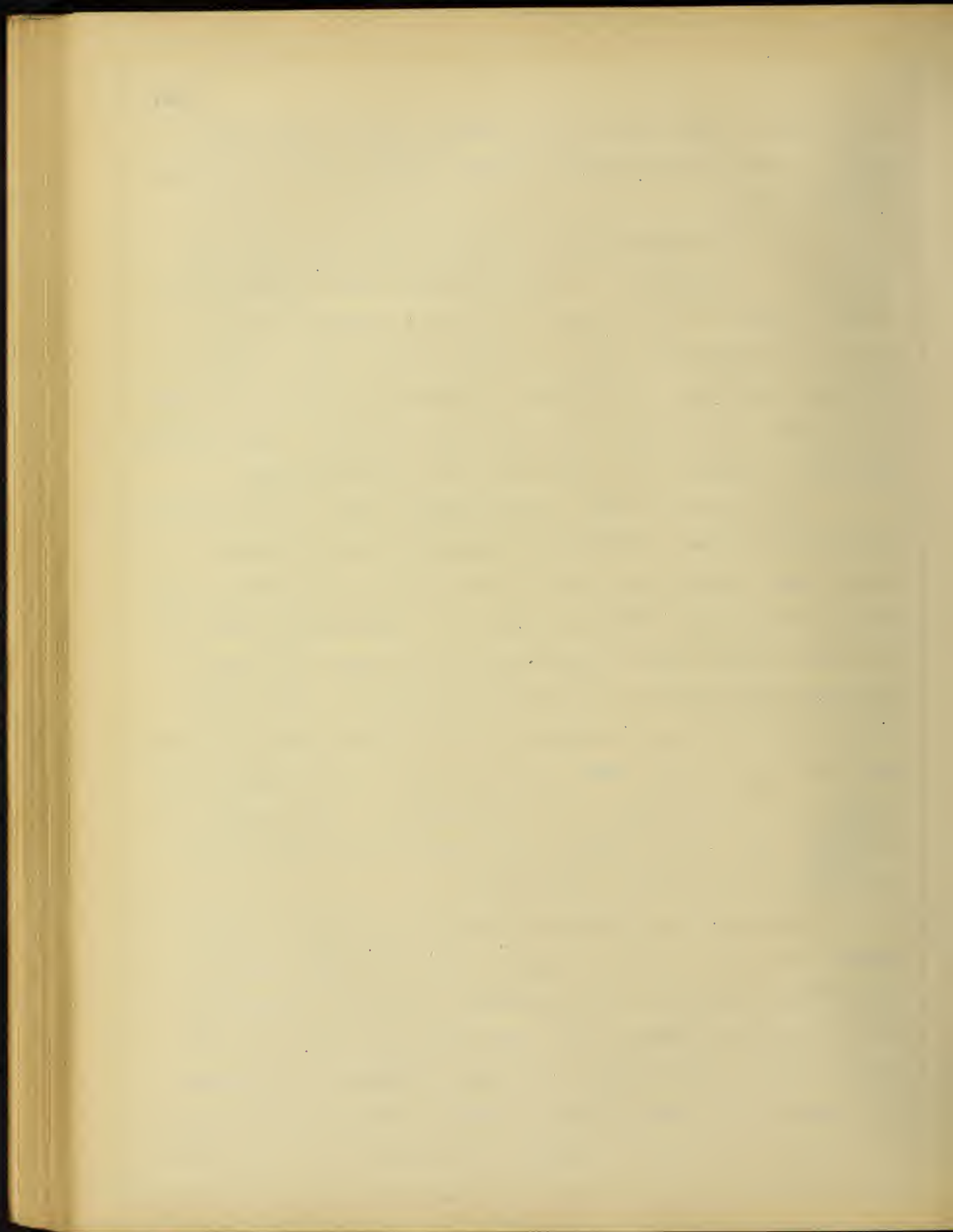
2. Rev. Stat. Ch. 24 par. 655 et seq.

In the case of city operation the charges must be sufficient to cover the cost of maintenance, interest charges, and to to create a sinking fund.

By a two-thirds vote, a city may issue bonds plus ten percent for the purchase, or the construction and equipment of a street railways; or may acquire the same by condemnation, in which case compensation must be allowed for the value of the existing franchise. If the system is owned by the city and leased to a private corporation, the rental must include at least interest upon the investment and a return for the franchise value.

By a majority vote, the municipality may in lieu of bonds, issue street railway certificates running for not to exceed twenty years, payable only from the net income of the railway, and bearing interest at a rate not specified. These certificates may be secured by the issue of mortgage or trust bonds, which can be foreclosed after default of interest for one year. Foreclosure carries the privilege of operation by the private company for twenty years at its own rate. Under the Mueller Law it was provided that loans secured by mortgage certificates could be issued outside of the debt limit, but the Supreme Court has held that this may not be done under the present constitution.

Should the city operate the system there shall be kept separate accounts showing the actual cost to the city, cost of maintenance, extensions and improvements, operating expenses of every description, sinking fund, free water, and other free services rendered by the railway, interest, depreciation, insurance and exemption of taxes, of which an annual printed account examined by an expert accountant is required to be made to the city council.



The accounting of these various items presages the time when city utilities will be conducted separately and distinctly from one another, and independently of the city treasury; and when any surplus created will be devoted to the use of the consumers who have produced it. The rule which forbids cities engaging in private business for a profit, should enjoin their engaging in public enterprises for the same purpose.¹

Sewers.

Sewer systems have been constructed under an act of 1879² permitting the levying of a three mill tax for that purpose; combined with the local improvement law which permits them to be paid for by special assessments of general taxation.³ There is no city in which a revenue is derived from the operation of sewers, and the method of extending the systems is considered under the subject of "Special Assessments"⁴

Use of City Real Estate.

Cities owning landings on navigable rivers may lease portions for wharfage for a period not exceeding twenty-five years.⁵

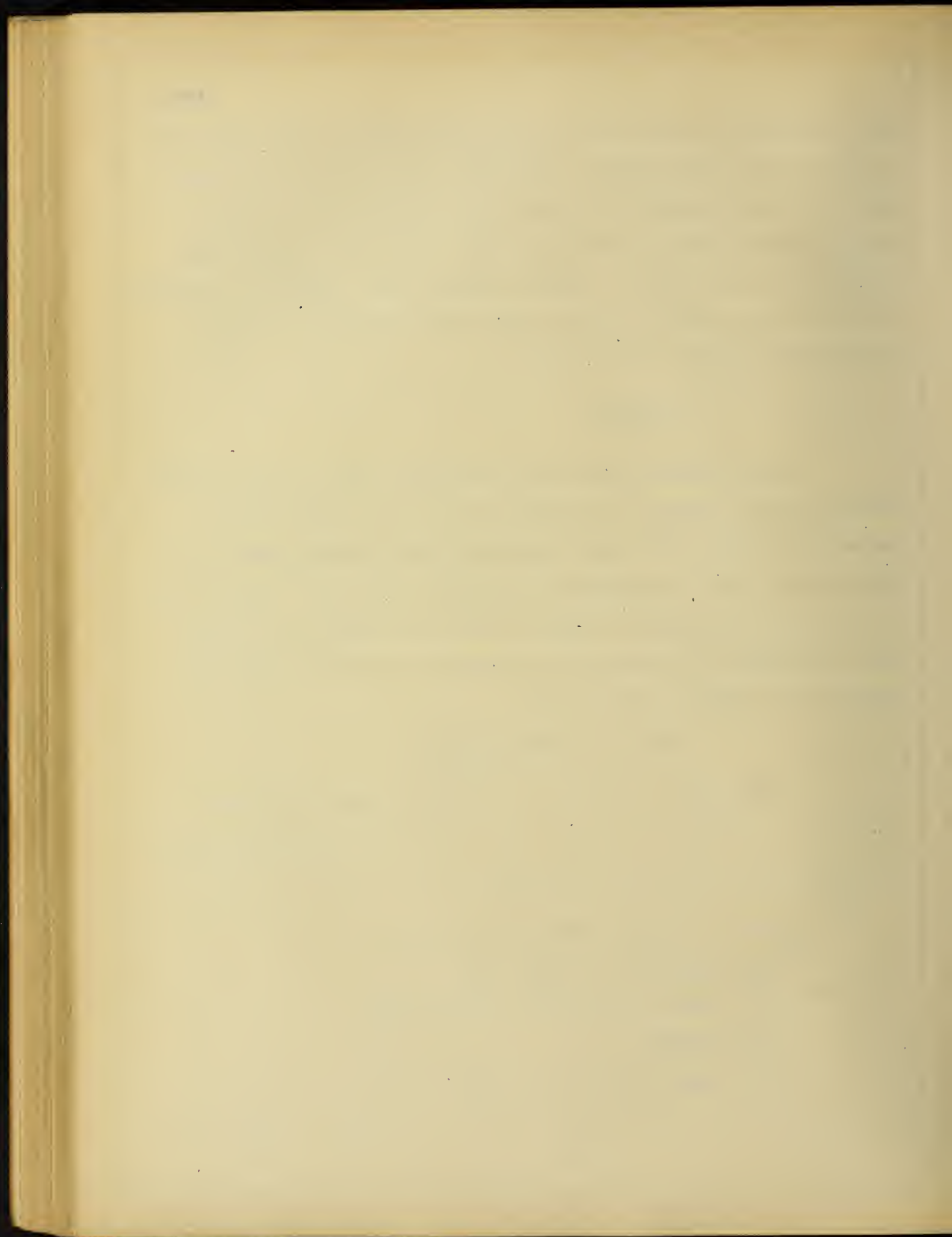
1. See page 75 for tax on franchises.

2. Rev. Stat. Ch. 24, par. 323.

3. Rev. Stat. Ch. 24, par. 507 et seq.

4. See page 80

5. Rev. Stat. Ch. 24, par. 247



Quincy has four such leases,- one terminable by either party upon sixty days notice; one to expire in 1912; and two others to expire in 1934. The income from the entire number is \$320 per year. Rock Island also has \$200 per year income of a similar nature.

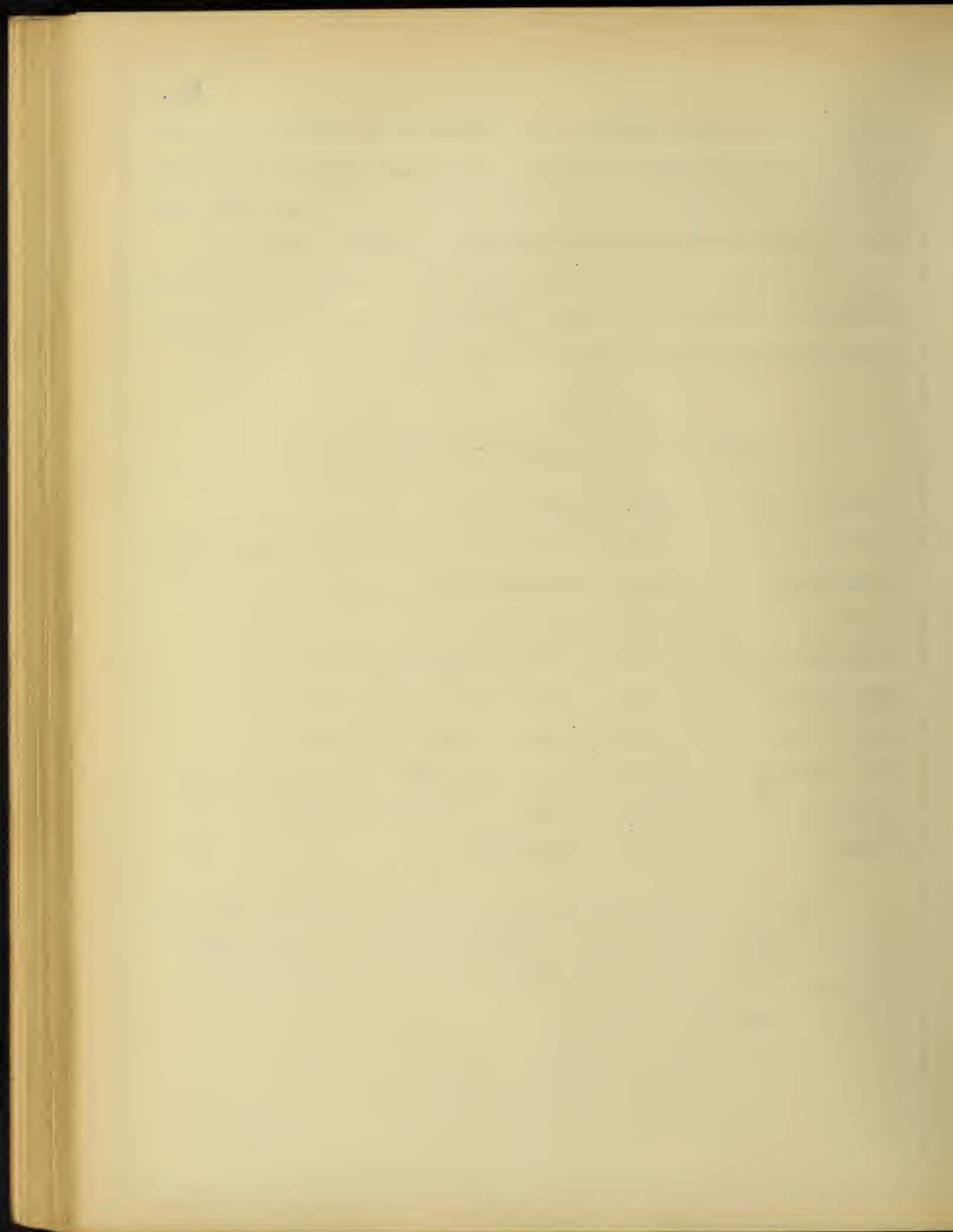
Several other cities receive a small revenue from the lease of space in municipal buildings, pasturage on land use for garbage disposal, etc. A list of these with the source of the income is:

Table 28.

Revenue from the Use of City Real Estate.

Alton.....	\$167.	Ground rent.
Aurora.....	375.	Office rent and use of Polling places.
Champaign	265	Building rent.
Elgin.....	189.	" Rents, etc."
Freeport.....	184.	Use of polling places..
Galesburg.....	231	Alley, land, and pasture rent.
Moline.....	250	" Use of city real estate"
Rock Island	1530	Rents and ground leased to railway
Springfield	540	" Use of city real estate"
Urbana	52	Pasturage.

Such small returns from city property might be contrasted with the large revenues from the public domains of some European cities, where the management of real estate is often a regular corporate function.



Use of Other City Property.

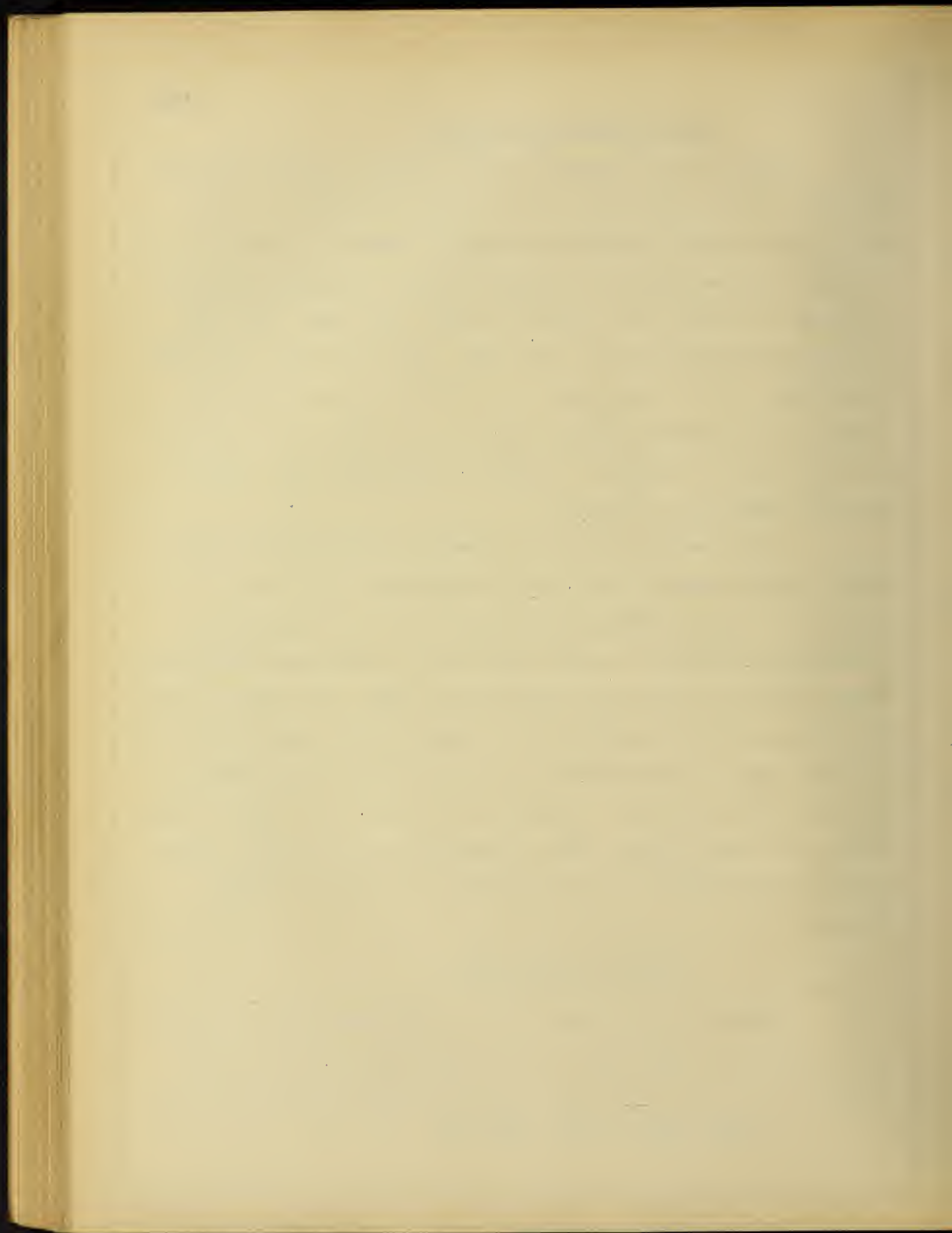
Aside from the interest on city funds, a small income is derived from the occasional use of other city property. Cities may own and operate bridges and ferries¹ charging a sufficient toll to cover interest, repairs, sinking fund and operating expenses. In Ottawa the ferry tolls amount to \$3248 per year, while the City of RockIsland received until last year about \$4000 per annum from bridge tolls. The bridge is now free. An obsolete provision of the statutes permits cities coming into the possession of toll roads to continue to collect a reasonable toll, tho no new toll roads may be created.

More frequent sources of revenue of this sort are from public markets (scale fees), use of ambulances and of city machinery. The following cities report incomes of this nature: Alton, \$810, city scales; Aurora, \$204, use of ambulance; Belleville, \$480, use of city machinery; Bloomington, \$300, from McLean County for tramp house; Joliet, \$84, use of steam roller; LaSalle, \$112, "use of city property"; Moline, \$112, use of city scales; and Streator, \$18, for ambulance hire. Doubtless most cities have items of this nature, but have reported them as miscellaneous receipts. Those given are sufficiendt to show the amounts and nature of this income.

Interest on City Funds.

Interest on city funds is an almost unutilized source of city income, as a rule such revenue being considered as a per

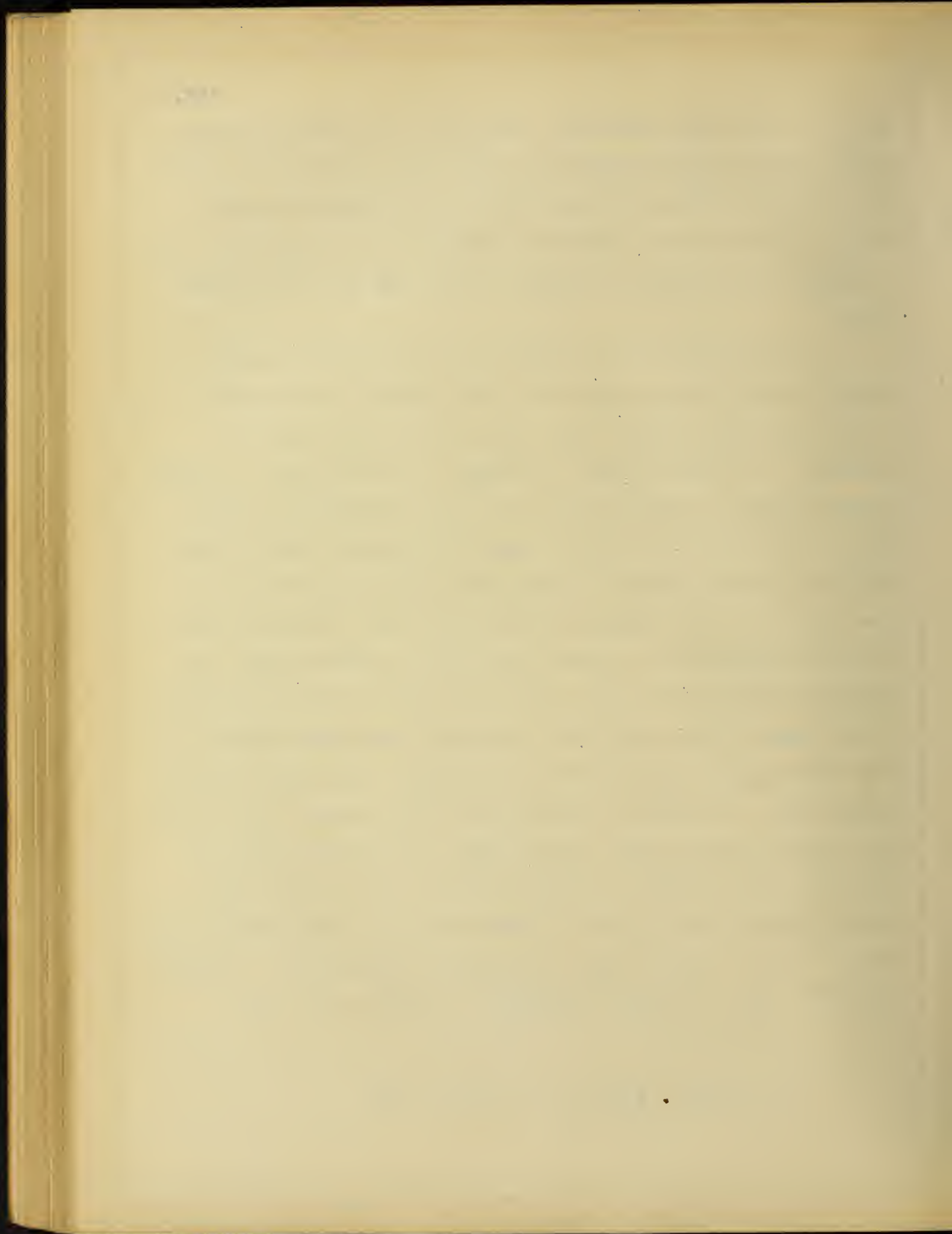
1. Rev. Stat. Ch. 24, par. 194.



quisite of the city treasurer. The few cities having permanent funds usually receive interest at some rate, but the amount lost thru failure to receive interest upon current funds is quite large. Such funds are, however, varying in amount, and their size is reduced by the gradual payments of tax warrants and floating debt.

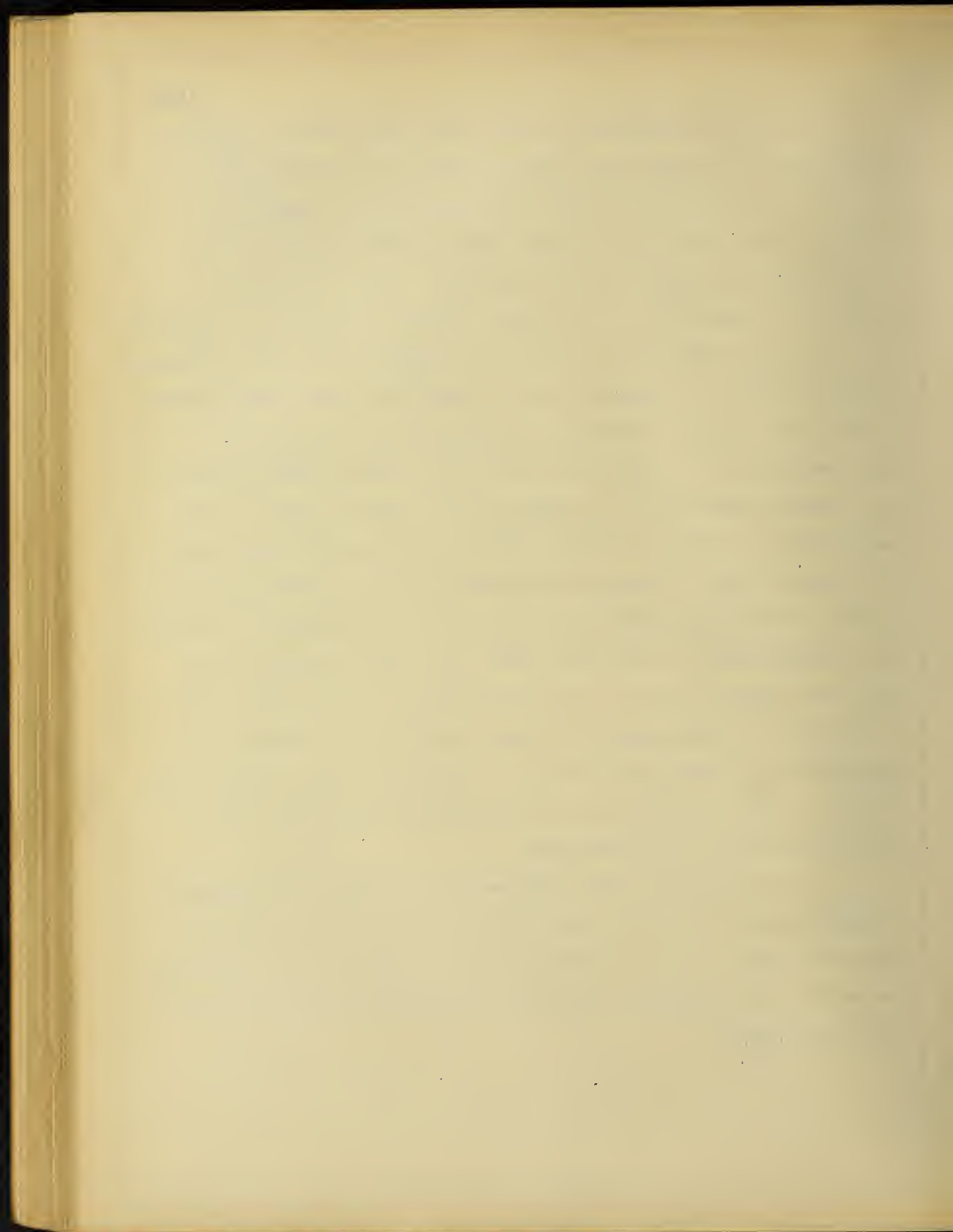
In Chicago bids are made upon the city funds and the council awards to the highest and best bidders in sufficient numbers to insure safety,¹-bonds being given by the banks as security. A special scheme is adopted by which bank is checked against only two months in the year thus permitting an uninterrupted use of city funds for at least five months. But by this plan only one and one-half percent per annum is secured. Any law relative to the smaller cities of the state should be sufficiently comprehensive to permit the cities to borrow money for corporate purposes from such permanent funds as may be available,- from sinking funds, water funds, permanent improvement funds, etc. Such a move would secure five or six percent upon these permanent funds, while the present rate is about three percent. Or if only the varying current funds are available, arrangements might be made with banks, where by allowing the free use of city funds during the early part of the calendar year, the municipality might borrow without interest when the treasury was depleted. In Elgin, by such a plan an average of \$25,000 is borrowed each year.

1. Merriam, *supra*. cit. p. 103 et seq.



Out of twenty-four cities, only seven receive interest upon funds of any kind, the largest amount being \$16306 which is returned to Quincy upon sinking funds aggregating \$354,789, or a return of about four and one-half percent. Five percent is received upon the larger part of this fund. All the interest accruing is reapplied to the sinking funds. On May 1st, 1909 there was a balance of \$71,037 upon which no interest was noted. Evanston receives \$3063 as "interest on city funds" the same being applied to the salary fund. Freeport receives \$1916 as "interest on bank balances." On April 1st., 1910 such balances were \$67,534 for special assessments, plus \$13,270 for general cash on hand. As "interest on sinking funds," Galesburg receives \$1667 per year. As interest upon a "special bridge fund" balance of \$57,101, Peoria added to that fund \$1,001 during 1909; the interest upon a "bridge bond sinking fund" of \$8750 was \$417. The total income of the city for a year is nearly a million dollars. In Alton the city finances are in such excellent shape that the city was able to loan \$30,000 of the general fund at interest at three percent. In the above list, however, it will be noted that the role played by current funds is inconspicuous.

The following table represents an estimate of the normal amount of funds which lie idle in the city treasuries. There is shown the entire amount received during the year for all purposes, as well as the balances on hand at the beginning and at the end of the fiscal years.



Balances and Receipts for General Funds, Special Assessments
And Special Funds for the Year 1909.

General Fund. (1)

	Balance at begin. of fiscal year.	Receipts.	Balance at end of year. (2)
ALTON	\$14,286	\$214,337	\$69,391
AURORA	23,750	220,334	18,870
BELLEVILLE	1,764	137,824	4.133 (2)
BLOOMINGTON	21,461	265,723	19.540 (2)
DANVILLE	75,843	211,193	68.190
EVANSTON	115,412	461,875	96.576
FREEPORT	6,368	111,696	13.270
JOLIET	55,062	451,238	80.090
OTTAWA	43,395	134,754	1.365
PEORIA	14,024	576,694	21.942
QUINCY	71,037	217,292	67.346 (2)
ROCKFORD	17,223	494,475	21.125 (3)
ROCKISLAND	6,755	118,673	10.668 (2)
URBANA	5,718	85,059	276

Special Assessments. (1)

AURORA	see above	\$146,000	see above
BLOOMINGTON	\$38,072	115,397	69,333
EVANSTON	see above	126,180	7,288
FREEPORT	82,230	98,414	67,534
OTTAWA	13,644	43,269	23,920
PEORIA	2,006	315,693	385
QUINCY	1,632	27,009	6,597
ROCK ISLAND	4,520	14,491	7,097

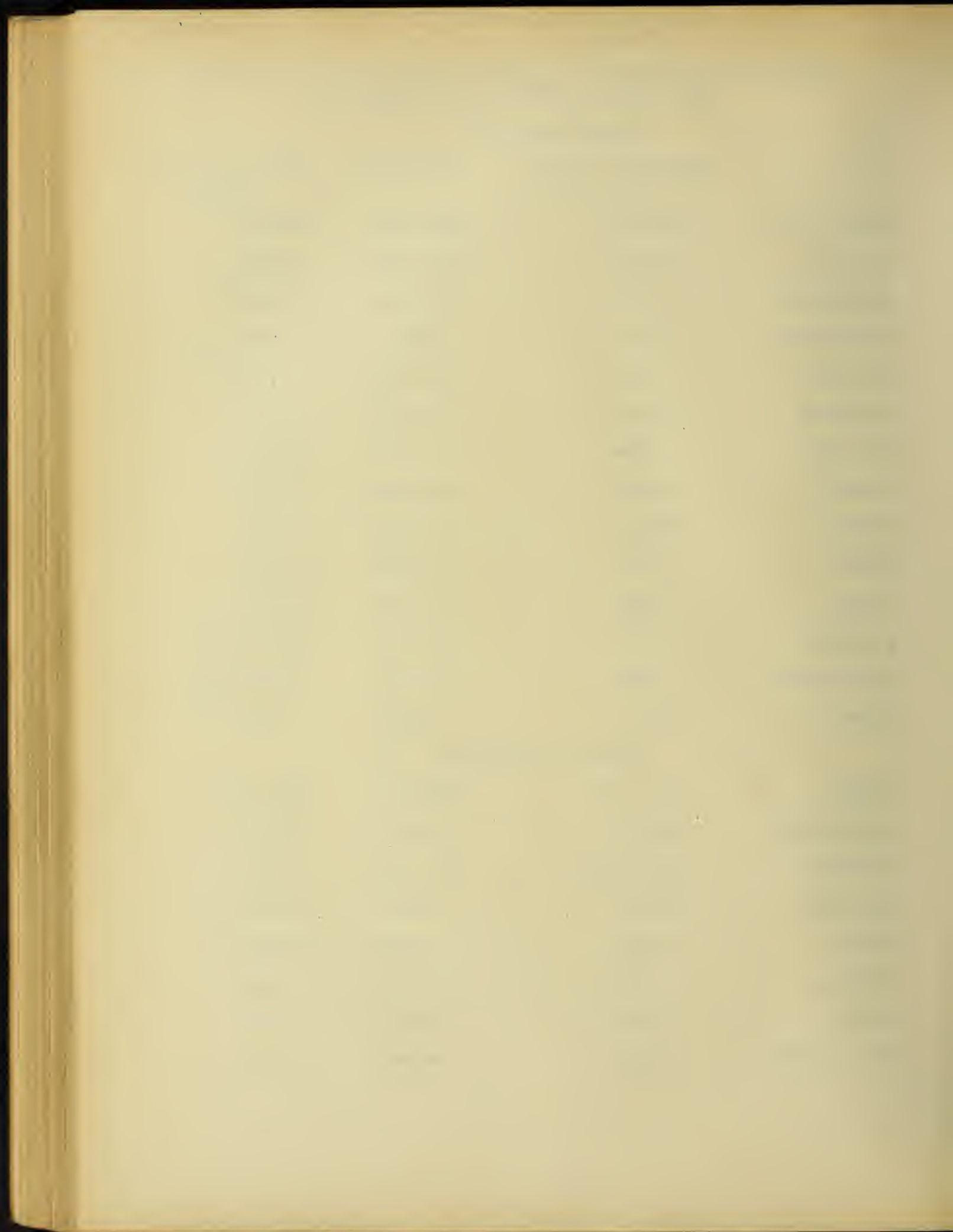


Table 29 Continued.

Special Funds. (1)

AURORA	see above	\$69,273	see above.
BLOOMINGTON	\$7,392	722	\$ 1,350
JOLIET	78	25,574	15,552
PEORIA	66,431	12,113	20,603
QUINCY	354,789	16,304	371,093
ROCK ISLAND	24,831	63,922	24,511

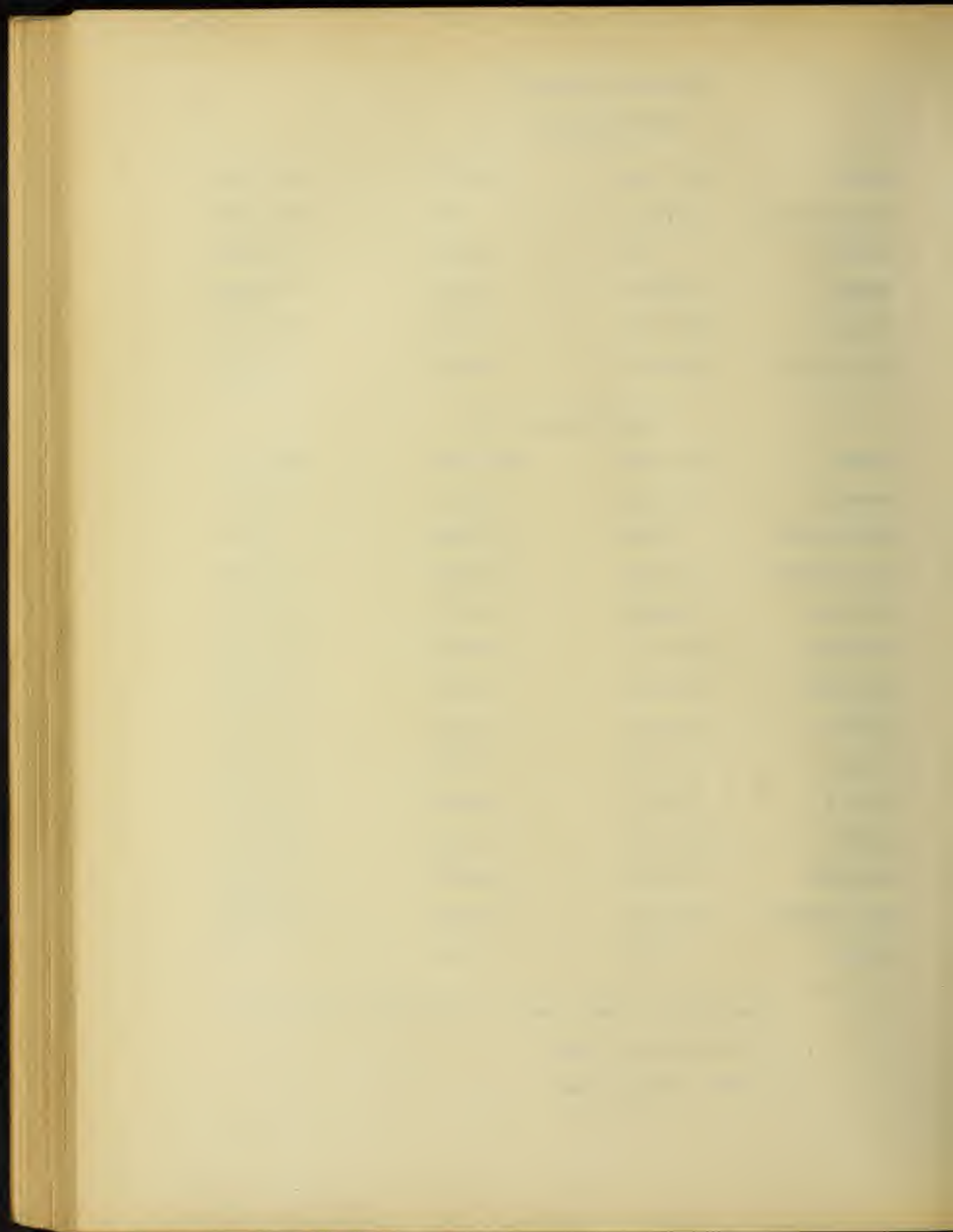
Grand Totals. (1)

ALTON	\$14.286	\$214.337	\$69.391
AURORA	23.750	435.607	18.870
BELLEVILLE	1.764	137.824	4.133
BLOOMINGTON	66.925	381.842	90.223
DANVILLE	75.843	211.193	68.540
EVANSTON	115.412	588.055	103.854
FREEPORT	88.598	210.110	80.804
JOLIET	55.140	476.812	95.642
OTTAWA	57.059	178.023	25.285
PEORIA	82.461	904.500	42.930
QUINCY	425.826	260.605	445.036
ROCKFORD	17.223	494.474	21.125
ROCK ISLAND	36.106	197.086	42.276
URBANA	5.718	85.059	276

(1) Amounts of less than one dollar not considered.

(2) Includes all funds.

(3) 1907 Fiscal Year.



These figures do not show the maximum or minimum amounts in the treasuries, and no general rule concerning the average amounts can be formulated, since the conditions in each instance are radically different. In the sixteen cities¹ issuing tax warrants it must be assumed that the treasuries are practically empty for a part of the year, and it is safe to conclude that a share of the sums paid in as special assessments are almost immediately used to retire assessment bonds. Delinquent assessments would be an exception to this rule. Of taxes and licenses, which form the working balances of the cities, the former come in over a period of the five months from January to June, while the latter are paid quarterly or semi annually.

Under the recent commission government law for cities, treasurers in such cities are compelled to return interest at three percent on the city funds. A review of the workings of these cities at the end of the next fiscal year will give a more certain clue to the interest loss of the other cities of Illinois. Judging from the facts at hand, such loss is not less than \$500 in the smaller towns; increases to \$1000 in cities of very moderate size; and probably rises to \$5,000 or more in the larger cities of the state.

1. See Table 30.

THE HISTORY OF THE
 CITY OF LONDON

FROM THE FOUNDATION OF THE CITY
 TO THE PRESENT TIME

BY JOHN STOW

THE SECOND EDITION

REVISED AND CORRECTED

BY JOHN STOW

IN TWO VOLUMES

THE FIRST VOLUME

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FROM THE FOUNDATION OF THE CITY

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CHAPTER VI.

LOANS.

Municipal indebtedness is of four kinds,--(1) city bonds which are a lien upon the property of the municipality, (2) interest bearing warrants issued in anticipation of taxes, (3) floating debt in the nature of unpaid bills or cash advanced by individuals for services yet unrendered, as water rents, and (4) lastly public improvement bonds issued to contractors as payment, and in which the responsibility of the city extends only to the collection. This¹ item is discussed briefly in another place.

Bonded Indebtedness.

By the state constitution the bonded indebtedness of cities is restricted to 5% of the assessed valuation,² which since 1909 has been one-third of the "fair cash value".³ The constitution also provides that sufficient direct taxes must be raised to retire the bonds within twenty years from the date of issue and to pay the prescribed⁴ rate of interest. Bond and interest taxes proportionately until the total is within the legal aggregate rate. It is further provided that bonds may be registered⁵ with the State Auditor, in which instances sufficient taxes are

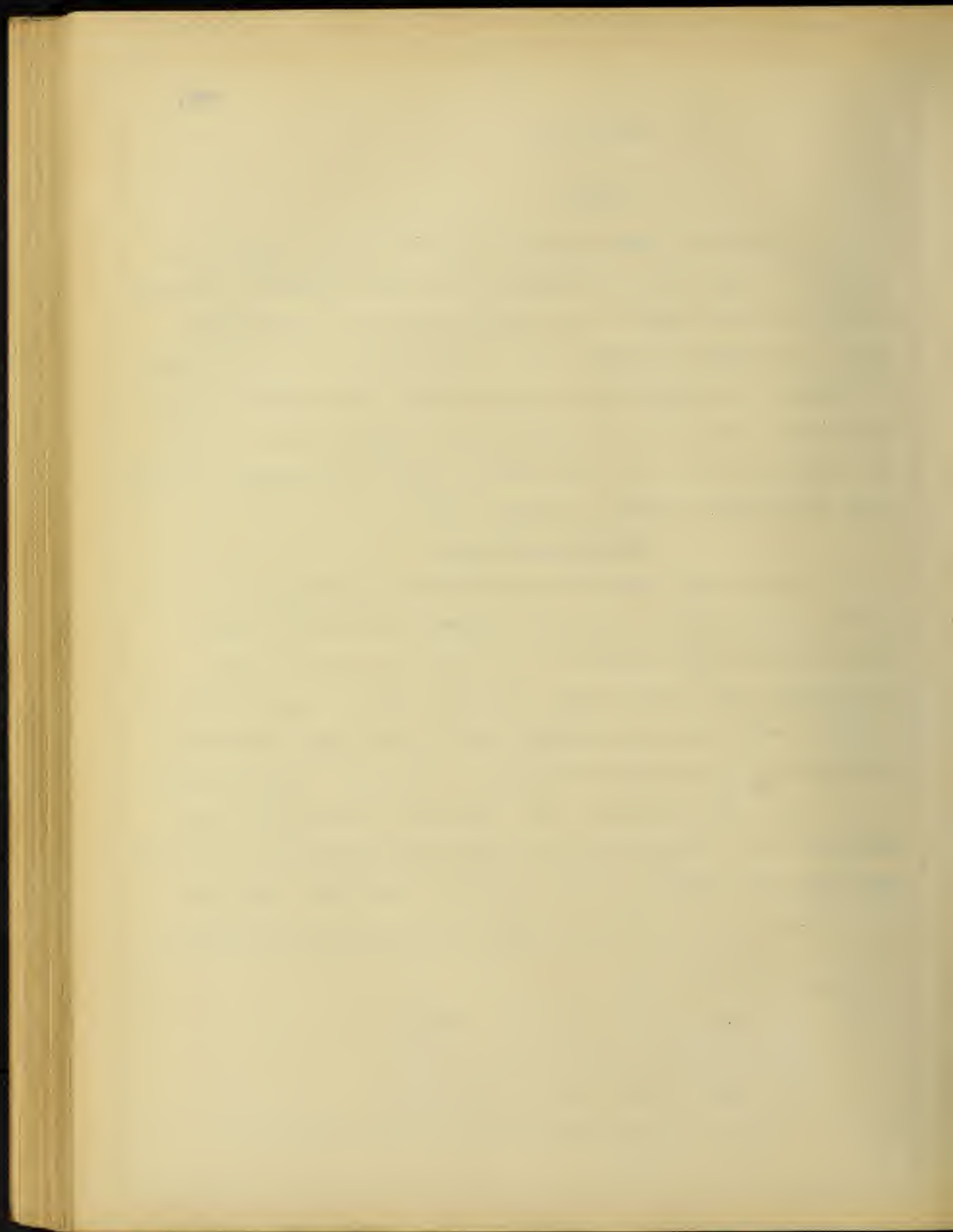
1. See page 80

2. Const. of 1870, Art. IX par. 12.

3. Rev. State Laws of 1909, p.

4. Const. of 1870. Art. IX par. 12.

5. Act of Feb. 13, 1865. Amended April 27, 1877 and June 4, 1879.



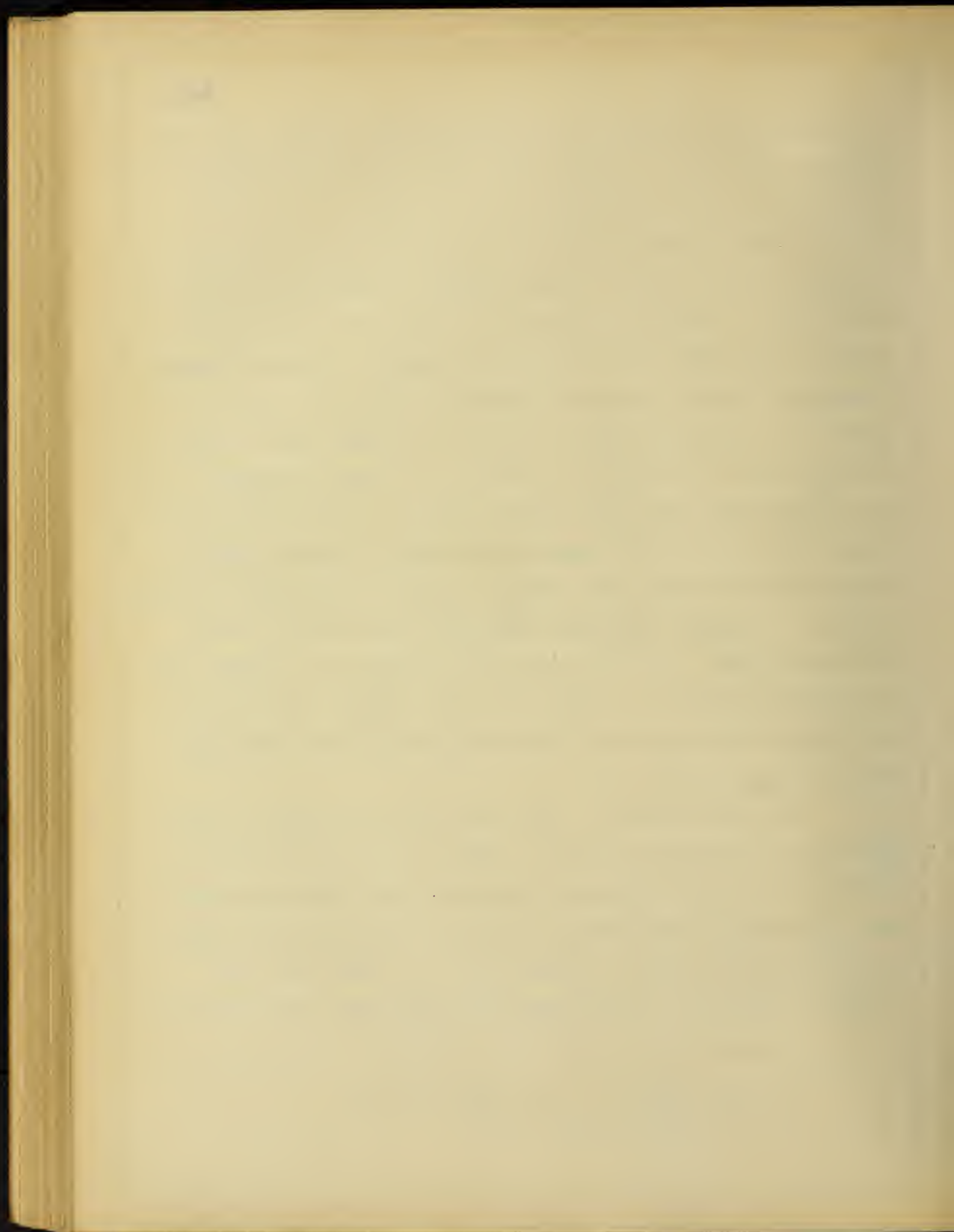
certified by the Auditor to the various county clerks to pay the interest and provide a sinking fund, such rates being collected as if a part of the state rate.

That the extension of such taxes may not be excessive in any one year, the city of Quincy (which in 1831 was burdened with a debt of nearly two millions of dollars and even now has a debt of over \$600,000¹) has devised a simple plan which ensures a bond and interest tax varying little in amount from year to year.¹ An ordinance passed in 1899, a certified copy of which is on file in the office of the Auditor, outlines the amount to be collected each year, and provided that any surplus shall counteract later deficits. By this method, while the amount paid for bonds and interest each year varies as much as thirty-five thousand dollars, the taxation decreases regularly about three thousand dollars per year. In only a few cities, however, are sinking funds of this kind provided, it being arranged at issue that the bonds will mature with some kind of regularity during the twenty year period required by law.

The desirability of this twenty year provision is demonstrated, for instance, in Peoria, which is still paying interest on \$42,000 of bonds representing bounties paid during the Civil War. The interest has amounted to double this sum, yet as estimated by the controller a sinking fund tax of \$2800 per year collected for ten or twelve years would pay these bonds when due.²

1. Annual Report, v. 25. (Report of 1910)

2. Annual Report, 1909, p 12.



However, a sinking fund, unless compound interest is returned to the city, is an expensive method of cancelling a debt. A dollar at 4% compounded annually, to which another is added each year amounts in twenty years to \$41.35, the investment being \$20; at simple interest the amount is \$28.40. If a municipality receives no interest on its sinking fund, it pays more than twice over any debt that it may incur. If the city is paid for the use of its funds, but receives only simple interest, it loses an amount equal approximately to fifty percent of the debt.

Assuming, however, that the city does receive 4% upon its funds, and that a dollar is added to the sinking fund each year, at the end of the first year after the second dollar had been added, the amount in the fund would be two dollars and four cents. At the end of the third year after the third dollar had been deposited the sum would be:

$$$.04(2.04) \text{ plus } 2.04 \text{ plus } 1.00.$$

With this expression as the basis of the formula it is easy to determine what sum must be collected in taxes each year and deposited at interest, to retire one dollar in debt at the end of any given period¹ of years.

-
1. Letting the amount necessary to be invested be represented as u and the rate of interest as a, the expression given above may be represented as:

$$ua^2 + 3ua + 3u = 1.$$

Calculating for any period of years the quantity to the left of the equality sign will contain one more expression than the number of years. However, any such expression which contains as a factor the rate of interest raised to more than the fourth power may be disregarded as infinitesimal. For the periods

The first of these is the fact that the
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1. (Continued from proceeding page)

mentioned the final equations are these:

20 years,

$$u(\dots\dots 15368a^4 + 7276 a^3 + 3436a^2 + 434a + 20) = 1.$$

19 years,

$$u(\dots 10113a^4 + 5255a^3 + 2021a^2 + 405a + 20) = 1.$$

10 years,

$$u(\dots 252a^4 + 210a^3 + 120a^2 + 45a + 10) = 1.$$

9 years,

$$u(\dots 126a^4 + 126a^3 + 84a^2 + 36a + 9) = 1.$$

Substituting \$.04 as the rate of interest, the expressions become for the twenty year period

$$\$41.35u = 1.$$

$$19 \text{ years} \quad 36.77446916u = 1.$$

$$10 \text{ years} \quad 12.01189127u = 1.$$

$$9 \text{ years} \quad 10.18278656u = 1.$$

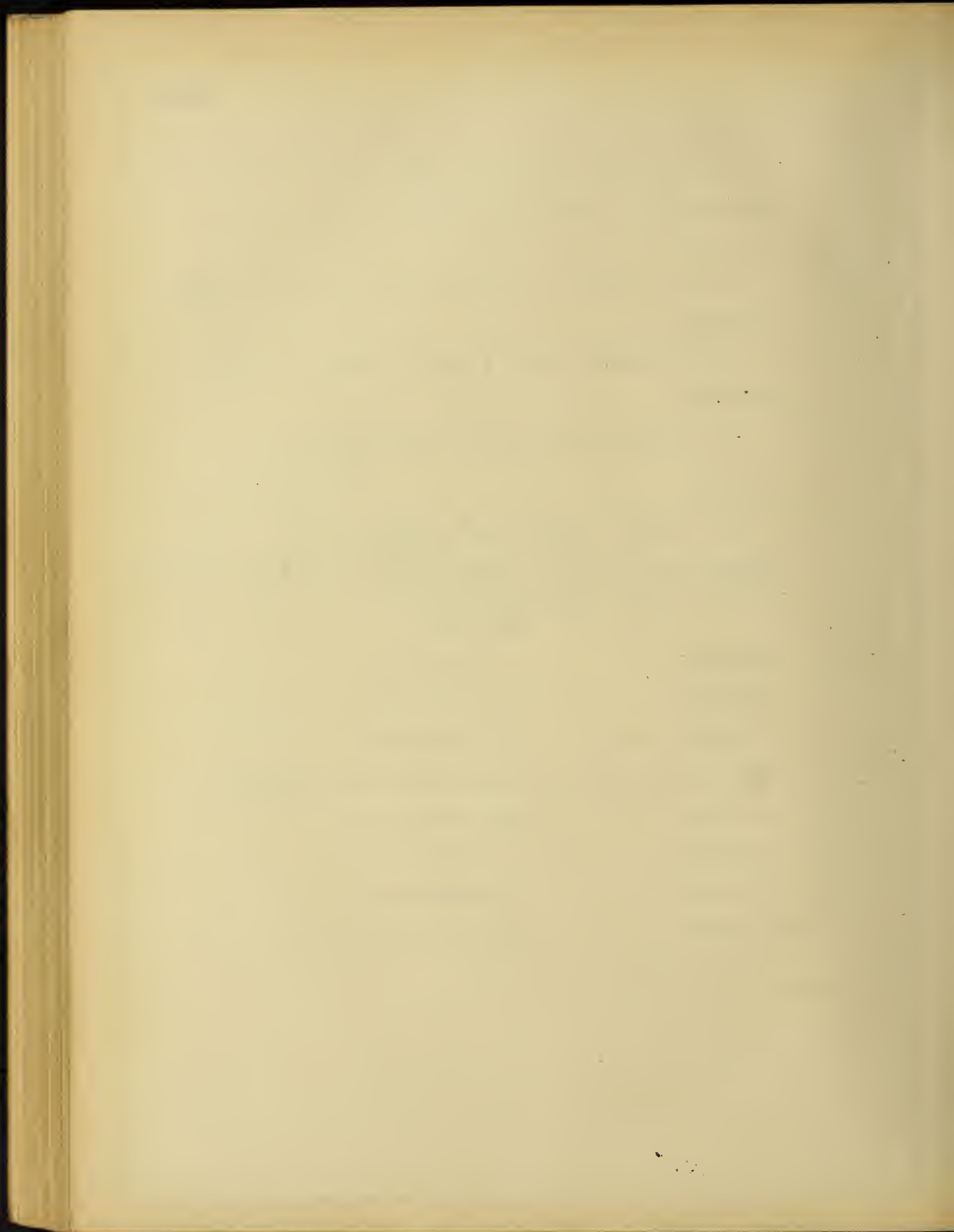
Substituting \$03 as the rate, the equations are,

$$20 \text{ years}, \quad \$35.11230006u = 1.$$

$$19 \text{ years}, \quad 33.11897653u = 1.$$

$$10 \text{ years}, \quad 11.46387412u = 1.$$

$$9 \text{ years}, \quad 10.15910406u = 1.$$

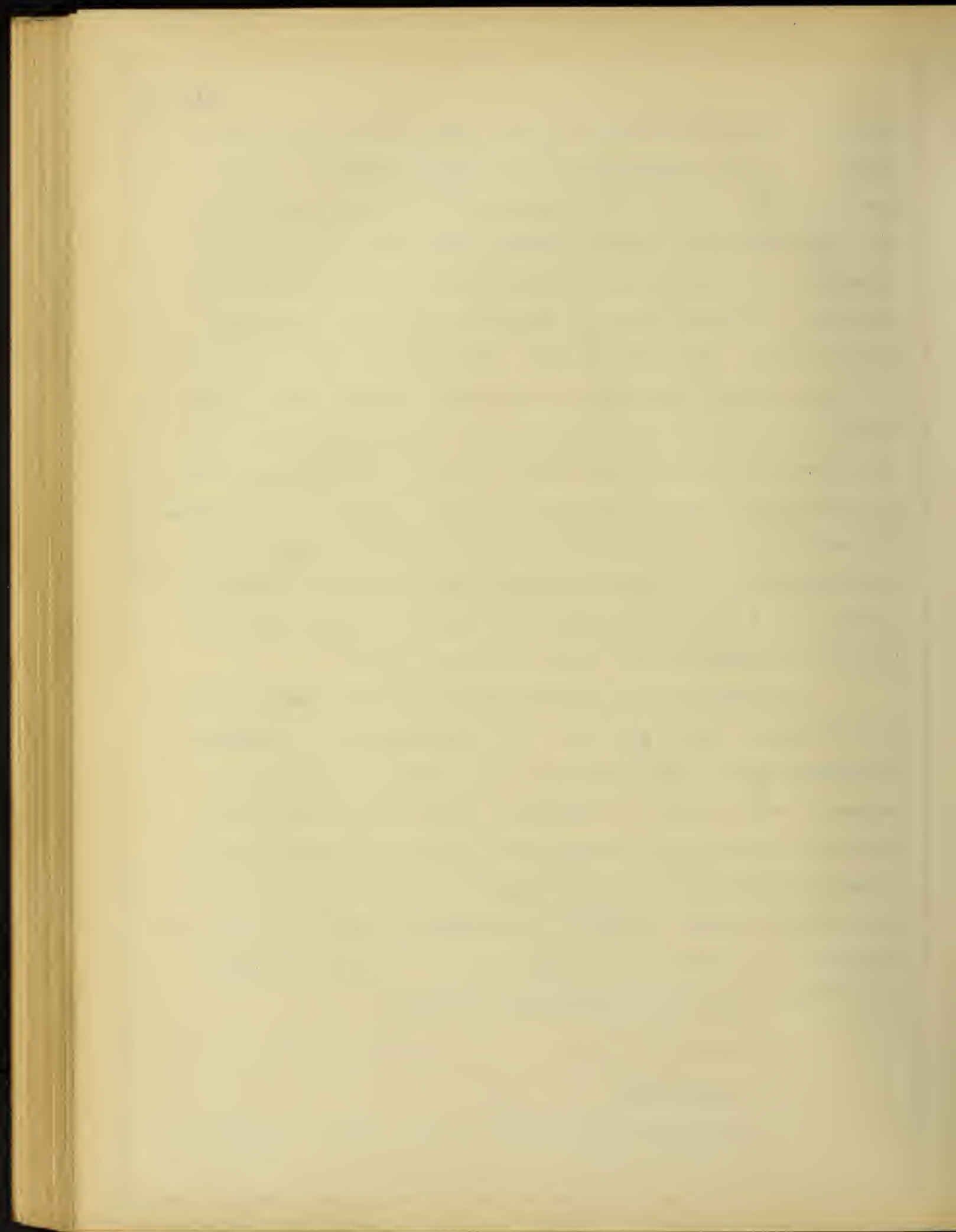


While the usual periods for retiring bonds are ten and twenty years, in all but exceptional cases taxes collected the last years of these periods would not be paid in time to be of use. For this reason the nine and nineteen year periods are the most important. To have one dollar at the end of twenty years it is necessary to deposit annually \$.0242; at the end of nineteen years, \$.0273; ten years, \$.0834; nine years, \$.0984. Thus the tax payer actually pays thru a twenty year sinking fund system, 48.4% of the debt; by the nineteen year plan, 51.87; by the ten year plan, 83.4% and by the nine year plan, 88.6%. If the sums collected are compounded annually at three instead of four percent, the amounts which must be collected to retire one dollar of indebtedness within the periods stated above are \$.0285; \$.0311; \$.0875; and \$.0985; or 88.65% of the total. The matter of interest is considered more fully in another place.¹

The necessity for the 5% bonded debt limit may be seen by referring to Table 30. Three cities, East St. Louis, Ottawa and Springfield have slightly exceeded the maximum indebtedness allowed,² while Quincy is indebted to over ten percent of the equalized valuation and devotes 27% of the total taxation to the payment of interest and the retirement of bonds. Four other cities have a debt of three percent of the assessed valuation; while the remainder are indebted to about one-half of their allowance. The average is 3.4% of the assessed valuation.

1. See page 122

2. That there is an excess in these cases is probably due to school districts which are not exactly coextensive with the cities.



Such a comparison of indebtedness based upon the property assessment is the most equitable one, yet it is customary to consider the per capita indebtedness as some criterion of the financial condition of a city. According to the Census Bureau,¹ while there is considerable irregularity in the per capita indebtedness of American cities of over 30,000 population, the tendency is to increase this indebtedness with the size of the city. This tendency is also shown in the smaller cities of Illinois, but not in a marked degree. In the municipalities of over 20,000 population the average per capita debt is \$8.77, while in those of a less size the average per capita debt is \$7.42. Or stated in another fashion,-the average population of the cities of Illinois having a per capita debt of over \$7.50 is 28,800; of those having such a debt under \$7.50 it is 22,200. In the cities of between thirty and fifty thousand in the United States the average per capita net debt is a trifle over \$40.00.²

Tax Warrants.

Such a statement, however, represents only approximately 84% of the municipal indebtedness of the cities concerned. The remainder with the exception of less than one percent for floating indebtedness, consists of tax warrants on short time loans,

1. Special Report, Statistics of Cities: 1907, p 75.

2. Supra. Cit. p.307.



for which the incoming taxes are security. Such indebtedness is entirely for current expenses, and represents how far the expenditures have at some time exceeded the income of the city.

Table A shows that the cities which are already heavily bonded were, with few exceptions, also issuing a large amount of warrants, tho the less indebted cities are by no means free.

Such indebtedness is bad, not only because it represents municipal extravagance, but owing to the excessive rate of interest which it bears. The funds for the most part are furnished by banks, the preponderating rate of interest being 5%, tho as low as 4.74% is charged in Jacksonville, and as high as 6% in Springfield and Peoria. Elgin, by allowing the free use of city funds to banks is allowed to borrow \$25,000 from them practically free of interest. The rates charged are from one to two percent higher than those on bonds, of which 46.6% are floated at 4%; 27.1% at 4.5%; 14.2% at 5%; 8.2% at 3.5%; and .075% at the high rate of 6%. About 82% of the bonds at present outstanding are floated at 4.5% or below, while only \$11,000 in warrants are drawing less than 5%, and these are at 4.75%. There is no state act which permits a city to invest the money of its several funds in warrants drawn against the general fund, thus securing to the corporation the high rate of interest paid. Such a statute would be desirable even tho it would affect only a few of the smaller cities of the state.

Under such circumstances the question naturally arises,-- would it not be expedient to retire such warrants by the issue of

The first part of the paper is devoted to a general
discussion of the problem. It is shown that the
problem is of great importance in the theory of
functions of a complex variable. The second part
contains a detailed proof of the theorem. The third
part is devoted to some applications of the theorem.
The fourth part contains some remarks and
conclusions. The fifth part contains some
references.

bonds at a lower rate of interest. There are at least three reasonable arguments against such a process. In twenty five percent of the cases the cities have reached their debt limit so that these new bonds could not be legally issued. Again, the presence of a large indebtedness of this nature is a guarantee against further marked extravagance on the part of the city officials. That the sum must be kept within such bounds that it may be easily borrowed prevents it becoming out of proportion to the wealth of the city. Finally, the discrepancy between the rates of interest on bonds and warrants is more apparent than real.

Tax warrants represent the need of an amount of money for a short time since they are usually issued in the winter and are retired as soon as the taxes are paid in the Spring or early Summer. Tho the simple average term of life of warrants is seven months there are reasons for believing that the greater amounts of money are used for a less time than this. For example, Bloomington, Galesburg and Springfield, all of whom are heavy users of tax warrants pay interest for five months or less. In order to have a sufficient sum on hand it would be necessary to issue bonds to approximate the amounts of warrants out, sums which according to the most conservative estimates would lie in the city treasuries for five months in the year. On such a basis the cities would nor be the losers as they pay five-twelfths more for warrants than bonds. If four and four and one-half percent be taken as the typical bond rate of interest, then it would be

1891	1892	1893	1894	1895	1896
1897	1898	1899	1900	1901	1902
1903	1904	1905	1906	1907	1908
1909	1910	1911	1912	1913	1914
1915	1916	1917	1918	1919	1920
1921	1922	1923	1924	1925	1926
1927	1928	1929	1930	1931	1932
1933	1934	1935	1936	1937	1938
1939	1940	1941	1942	1943	1944
1945	1946	1947	1948	1949	1950
1951	1952	1953	1954	1955	1956
1957	1958	1959	1960	1961	1962
1963	1964	1965	1966	1967	1968
1969	1970	1971	1972	1973	1974
1975	1976	1977	1978	1979	1980
1981	1982	1983	1984	1985	1986
1987	1988	1989	1990	1991	1992
1993	1994	1995	1996	1997	1998
1999	2000	2001	2002	2003	2004
2005	2006	2007	2008	2009	2010
2011	2012	2013	2014	2015	2016
2017	2018	2019	2020	2021	2022
2023	2024	2025	2026	2027	2028
2029	2030	2031	2032	2033	2034
2035	2036	2037	2038	2039	2040
2041	2042	2043	2044	2045	2046
2047	2048	2049	2050	2051	2052
2053	2054	2055	2056	2057	2058
2059	2060	2061	2062	2063	2064
2065	2066	2067	2068	2069	2070
2071	2072	2073	2074	2075	2076
2077	2078	2079	2080	2081	2082
2083	2084	2085	2086	2087	2088
2089	2090	2091	2092	2093	2094
2095	2096	2097	2098	2099	2100

Statistics Relative to Municipal Indebtedness in 1909.

	Percent of Assessment	Per capita Bonded debt	Per capita Whole debt	Rate of Interest Bonds	Rate of Interest Warrants
Alton	2.5%	\$6.16	\$6.16	4%	--
Aurora	2.55	7.40	7.40	4-5	--
Belleville	2.33	4.00	5.25	4-6	5%
Bloomington	5.2	16.58	18.60	4	5
Champaign	2.6	7.60	10.02	5	5
Danville	2.5	7.44	10.15	4.5-5	5
Decatur					
E. ST. Louis	5.5	10.68	10.68	4.5	No data
Elgin	3.1	10.20	11.16	4	5?
Evanston	No data	5.26	5.26	4-5	--
Freeport	No data	8.04	10.60	4-4.5-5	5?
Galesburg	2.2	6.05	7.65	4.5	5
Jacksonville	3.8	10.28	12.74	4	4.75-6
Joliet	2.5	5.10	7.80	4-4.5	5-6
LaSalle	2.4	4.55	4.55	5	--
Moline	1.45	3.43	3.43	4.5	--
Ottawa	5.2	11.37	14.22	5-6	5
Peoria	1.95	5.73	9.30	4-4.5	6
Quincy	10	16.80	16.80	4-4.5	--
Rockford	2.2	8.45	16.08	4	5
Rock Island	3.3	7.31	9.80	4.5-5	6
Springfield	5.3	16.88	22.01	3.5-4-5	5.5-6
Streator	1.5	2.55	3.82	5	5
Urbana	3.5	8.85	13.27	5	5

NAME	DATE	AMOUNT	REMARKS
ALLEN	1892	10.00	
ANDERSON	1892	10.00	
BROWN	1892	10.00	
CLARK	1892	10.00	
DAVIS	1892	10.00	
EDWARDS	1892	10.00	
FERGUSON	1892	10.00	
GILBERT	1892	10.00	
HARRIS	1892	10.00	
JONES	1892	10.00	
KELLEY	1892	10.00	
LONG	1892	10.00	
MARTIN	1892	10.00	
NEAL	1892	10.00	
OLIVER	1892	10.00	
PEPPER	1892	10.00	
REED	1892	10.00	
SHAW	1892	10.00	
TAYLOR	1892	10.00	
WALKER	1892	10.00	
YOUNG	1892	10.00	
...

Table 30, (Cont.)

	Bonded Debt	Tax Warrants	Floating Debt	Total Debt	Percent of Debt Bonded
Alton	\$108,000	None	None	\$108,000	100%
Aurora	220,000	None	None	220,000	100
Belleville	104,000	22,313	No data	136,313	76
Bloomington	431,000	52,681 ¹	None	483,681	89
Champaign	94,500	10,000	20,000	124,500	76
Danville	207,300	75,844	None	283,144	73
Decatur					
E. St. Louis	725,000	No data	No data	Incomplete	No data
Elgin	265,000	25,000	None	290,000	91
Evanston	131,600	None	None	131,600	100
Freeport	141,000	45,000	None	186,000	76
Galesburg	139,000	37,000	None	176,000	79
Jacksonville	157,500	38,438	11,807	195,938	80
Joliet	177,800	79,216	15,433	273,449	64
LaSalle	45,000	None	None	45,000	100
Moline	83,000	None	None	83,000	100
Ottawa	125,000	31,545	None	156,545	80
Peoria	382,500	178,800 ³	60,000 ⁵	621,300	61
Quincy	613,000	None	None	613,000	100
Rockford	381,800	348,000 ²	None	729,800	52
Rock Island	190,000	65,000	None	255,000	73
Springfield	861,200	172,542	90,000 ⁴	1,123,742	76
Streator	40,000	20,000	None	60,000	67
Urbana	73,000	32,722	3620	109,342	67

Year	Month	Day	Time	Place	Amount
1881	Jan	1	10:00	Albany	100,000
1881	Jan	2	10:00	Albany	100,000
1881	Jan	3	10:00	Albany	100,000
1881	Jan	4	10:00	Albany	100,000
1881	Jan	5	10:00	Albany	100,000
1881	Jan	6	10:00	Albany	100,000
1881	Jan	7	10:00	Albany	100,000
1881	Jan	8	10:00	Albany	100,000
1881	Jan	9	10:00	Albany	100,000
1881	Jan	10	10:00	Albany	100,000
1881	Jan	11	10:00	Albany	100,000
1881	Jan	12	10:00	Albany	100,000
1881	Jan	13	10:00	Albany	100,000
1881	Jan	14	10:00	Albany	100,000
1881	Jan	15	10:00	Albany	100,000
1881	Jan	16	10:00	Albany	100,000
1881	Jan	17	10:00	Albany	100,000
1881	Jan	18	10:00	Albany	100,000
1881	Jan	19	10:00	Albany	100,000
1881	Jan	20	10:00	Albany	100,000
1881	Jan	21	10:00	Albany	100,000
1881	Jan	22	10:00	Albany	100,000
1881	Jan	23	10:00	Albany	100,000
1881	Jan	24	10:00	Albany	100,000
1881	Jan	25	10:00	Albany	100,000
1881	Jan	26	10:00	Albany	100,000
1881	Jan	27	10:00	Albany	100,000
1881	Jan	28	10:00	Albany	100,000
1881	Jan	29	10:00	Albany	100,000
1881	Jan	30	10:00	Albany	100,000
1881	Jan	31	10:00	Albany	100,000

Table 30 (Cont.)

Statutes Relating to Municipal Indebtedness for Year 1909.

	Interest on Bonds.	Interest on Warrants.	Total Interest.	Per. Cap. Interest.
ALTON	\$4,360	None	\$4,360	\$.25
AURORA	9,198	None	9,198	.31
BELLEVILLE	4.140	\$980	5.120	.19
BLOOMINGTON	17.440	1,000 ⁽¹⁾	18.440	.71
CHAMPAIGN	4.120	125	4.245	.34
DANVILLE	9.800	2.724	12.524	.45
DECATUR				
E.ST.LOUIS	51.341	no data ⁽¹⁾	51.341	.75
ELGIN	10.550	325	10.875	.42
EVANSTON	5.700	None	5.700	.23
FREEPORT	5.410	1.449 ⁽²⁾	7.859	.45
GALESBURG	5.525	900	7.425	.32
JACKSONVILLE	6.300	2.246	8.546	.55
JOLIET	8.011	4.044	12.055	.34
LA SALLE	2.250	None	2.250	.23
MOLINE	4.840	None ⁽²⁾	4.840	.20
OTTAWA	6.372	700	7.072	.64
PEORIA	16.154	7,337	23.491	.35
QUINCY	27.295	None	27.295	.75
ROCKFORD	15.472	12,854	28.326	.62
ROCK ISLAND	8.750	3.397	12.147	.47
SPRINGFIELD	22.300	4.500	26.800	.52
STREATOR	2.000	292	2.292	.14
URBANA	3.650	1,699	5.349	.65

(1) Warrants carried for use of city funds.

(2) Estimated.



Table 30, (Continued).

Percents underscored predominate.

1. \$12,681 of this sum is not in the form of tax warrants.
2. Includes \$200,000 of school tax warrants.
3. Includes \$78,800 pf school tax warrants.
4. See text, page
5. Itemized in the year's expenditures as "bills payable".

Table 30, (continued).

Specimens submitted for analysis.

1. 117,000 of 1911 and 1912 of the same.
2. 100,000 of 1911 and 1912 of the same.
3. 100,000 of 1911 and 1912 of the same.
4. 100,000 of 1911 and 1912 of the same.
5. 100,000 of 1911 and 1912 of the same.

profitable to float warrants at 5.6% or 6.3%. Of course, in cases where the warrants are running for year terms as \$200,000 of Rockford school warrants bonding would be most expedient. In Galesburg, while school tax warrants are not issued, the salary warrants of the last few months of the fiscal year, are drawn upon an empty treasury and bear interest at 6%.

No defence whatever can be offered for floating indebtedness. It is in all cases but one (see table) connected with a large bonded and warrant indebtedness, and one is entitled to assume that there has been mismanagement in the business of the city. Hard bargains cannot be driven when the seller must wait for his pay, and municipalities are notoriously poor bargainers at the best. In Champaign the \$20,000 of floating debt represents an unpaid light bill of nearly six months standing, while \$20,000 of Urbana bonds were in 1909 a judgment for current expenses.

CHAPTER VI.

SUMMARY AND CONCLUSIONS.

In the past chapters repeated comparisons have been made between the per capita revenues of the several cities, especially those arising from taxes, liquor licenses, and other important items. In conclusion the total per capita income of each city may be considered. From this total income there has been excluded school revenues, road and bridge taxes, special assessments, and commercial revenue which is not net profit, -for reasons which have already been stated. This leaves a balance which is entirely devoted to the support of city government. The total general revenues of each city are shown in Table 32 with the principal component items, and in Table 34 is given the per capita revenues of each municipality.

The minimum per capita income is \$4.10 which is found in Streator, one of the smallest of the cities studied. A similar per capita income of \$4.20 prevails in both Champaign and Jacksonville, both small cities, while the largest income, \$10.10 is in East St. Louis, which is also the largest municipality considered. Such figures would indicate that there is a relationship between the size of the city and the per capita income, suggesting that the larger the municipality, the larger the cost of government for each person. The rise, however, is by no means regular. Two of the smallest cities, LaSalle and Ottawa, have a per capita revenue only equaled by five of the largest cities in the group:

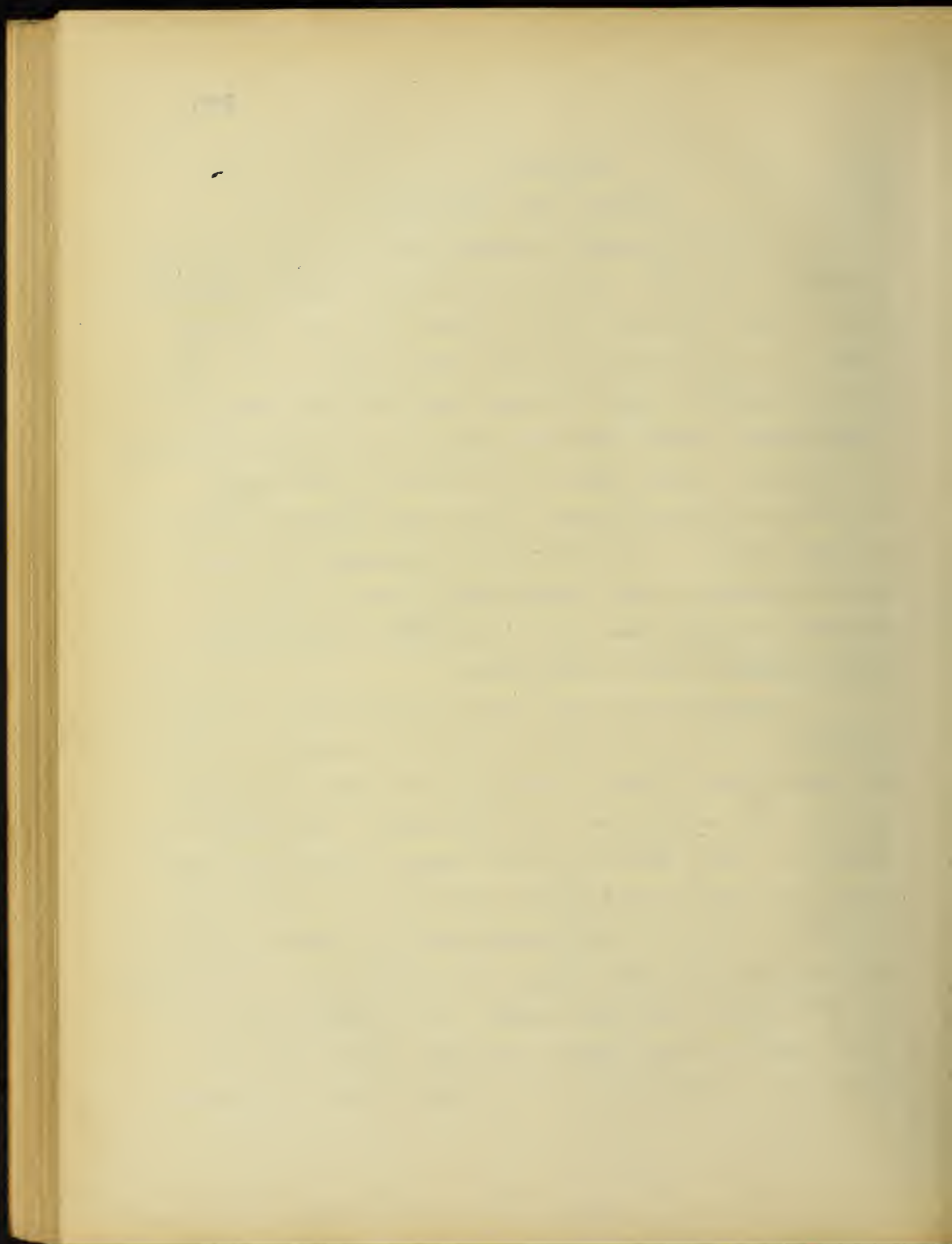


Table 31.

Statistics of Population, Date of Fiscal Year, etc.

	Population 1910	Date of Fis- cal Year.	Road and Bridge tax. 1909.	Per.Cap.Gen. Income. . 1909
ALTON	17,528	March 31	\$2,182	\$5.98
AURORA	29,807	Dec. 31	11,351	6.75
BELLEVILLE	26,000	April 30		8.55
BLOOMINGTON	26,000	April 30	8,221	6.85
CHAMPAIGN	12,421	March 31		4.20
DANVILLE	27,900	April 30		6.55
DECATUR	31,140	May 10		4.80
E.ST.LOUIS	68,000	April 30		10.10
ELGIN	26,000	Dec. 31	30,696	6.00
EVANSTON	25,000	Dec. 31		8.10
FREEPORT	17,576	April 1		6.10
GALESBURG	23,000	March 31		5.85
JACKSONVILLE	15,326	Dec. 31		4.20
JOLIET	34,900	April 30		7.00
LA SALLE	9,900	March 31	4,567	7.55
MOLINE	24,200	April 1		7.30
OTTAWA	11,000	1st Tues.in Ap	4,560	7.35
PEORIA	66,800	Dec 31	none	7.95
QUINCY	36,587	May 1		9.30
ROCKFORD	45,401	Dec. 31	24,269	5.50
ROCK ISLAND	26,587	April 15		6.45
SPRINGFIELD	51,000	Feb. 28		9.00
STREATOR	15,703	April 30		4.10
URBANA.	8,245	May 15		5.20

Sources and Totals of General Revenues in 1909.

	General Property Taxes	Liquor Licenses	Other Licenses	Vehicle Licenses	Foreign Fire Insurance Tax	Police Fines
Alton	\$60,350	\$30,694	\$5489	\$516	\$1488	\$1657
Aurora	143,266	42,500	3340	None	1636	1976
Belleville	78,520	55,691	4581	483	622	560
Bloomington	109,710	47,900	4649	None	1093	1702
Champaign	48,423	None	1994	None	1124	No data.
Danville	102,130	66,600	4045	None	1675	7071
Decatur	125,038	None	3191	None	3102	5391
E.St.Louis	428,029	155,410	24,399	7169	1200	1219
Elgin	111,869	34,000	3114	None	1121	683
Evanston	134,339	None	5510	8065	1471	3293
Freeport	66,960	23,703	1457	None	1061	4433
Galesburg	123,236	None	2529	None	1579	3102
Jacksonville	57,866	None	876	2368	1348	1836
Joliet	95,885	136,000	3045	None	1984	
LaSalle	39,374	33,100	1290	None	739	432
Moline	107,285	63,126	3100	None	1415	416
Ottawa	45,000	25,250	430	None	912	595
Peoria	347,100	137,300	12000	None	7369	5983
Quincy	237,538	72,500	3870	3401		4106
Rockford	214,204	None	4056	None	2248	1249
Rock Island	106,404	48,025	3672	None	1838	3364
Springfield	293,712	108,435	6169	None	1729	5890
Streator	33,294	26,750	1014	None	1159	941
Urbana	41,669	None	405	None	327	328

Table 32, (Cont.)

142.

	Fees	Franchise Taxes	Interest	Library Revenues	Other Revenues	Total Revenues.
Alton	None	\$221	\$900	\$2653	\$232	\$104,200
Aurora	None	4037	None	396	8340	205,491
Belleville	1037	1103	None	128	1171	143,896
Bloomington	2412	3400	None	1450	5901	178,226
Champaign	221	None	None	753	None	52,515
Danville	363	None	None	800	74	182,728
Decatur	166	None	None	358	12088 ¹	149,334
E.St.Louis	3493	1600	None	268	3325	686,112
Elgin	178	612	None		5294	156,871
Evanston	3575	None	3063	1739	45270 ²	206,325
Freeport	None	None	1916	97	7798	107,425
Galesburg	110	None	1667	891	1205	134,319
Jacksonville	45	None	None	436	2535	67,410
Joliet	1261	3317	None	1042	2382	244,916
LaSalle	None	None	None		307	75,242
Moline	788	None	None		None	176,130
Ottawa	343	2000	None	4887	1324	80,741
Peoria	4010	500	1421	1206	5901	522,790
Quincy	None	1283	16306	114	91	339,209
Rockford	1510	3356	None	1049	21793	249,465
Rock Island	1414	None	None		571	165,288
Springfield	2022	300	None	517	39872 ³	458,646
Streator	None	372	None	207	888	64,625
Urbana	None	None	None	40	None	42,769

1,2, & 3 Includes net profit on waterworks.

Sources of General Revenues in Percentages in 1909.

	General Property Tax.	Liquor Licenses	Other Licenses	Vehicle Licenses	Foreign Fire Insurance Tax.
Alton	57.8%	29.4%	5.3%	.5%	1.45%
Aurora	70.0	20.7	1.63	None	.79
Belleville	54.7	38.7	3.2	.33	.43
Bloomington	61.5	27.8	2.6	None	.61
Champaign	92.0	None	3.79	None	2.12
Danville	56.0	36.4	2.21	None	.91
Decatur	83.7	None	2.1	None	2.08
E.St.Louis	71.0	22.5	3.56	1.04	.175
Elgin	71.4	21.7	1.98	None	.71
Evanston	65.1	None	2.67	3.9	.7
Freeport	62.2	22.0	1.37	None	.99
Galesburg	91.8	None	1.88	None	1.17
Jacksonville	85.8	None	1.32	3.51	2.1
Joliet	40.1	54.6	1.23	None	.813
LaSalle	52.3	44.0	1.71	None	.97
Moline	61.0	35.8	1.75	None	.803
Ottawa	55.7	31.3	.533	None	1.13
Peoria	65.5	26.3	2.3	None	1.41
Quincy	70.0	21.4	1.145	1.03	
Rockford	87.7	None	1.63	None	.9
Rock Island	64.5	29.0	2.22	None	1.11
Springfield	64.0	23.7	1.35	None	.378
Streator	51.25	41.3	1.57	None	1.8
Urbana	97.6	None	.95	None	.77

TABLE OF THE PHYSICAL PROPERTIES OF THE ELEMENTS AND COMPOUNDS

Element	Symbol	Atomic Weight	Density	Melting Point	Boiling Point
Aluminum	Al	27.0	2.70	933	2467
Antimony	Sb	121.8	5.77	630	1587
Bismuth	Bi	208.98	9.80	271	629
Carbon	C	12.01	2.26	3500	4000
Calcium	Ca	40.08	1.55	842	1484
Chlorine	Cl	35.45	3.12	-34.6	-34.6
Copper	Cu	63.54	8.96	1083	2567
Gold	Au	196.97	19.30	1063	2856
Hydrogen	H	1.008	0.08989	-252.8	-252.8
Iodine	I	126.90	4.93	113.7	184.3
Iron	Fe	55.84	7.87	1538	2861
Lithium	Li	6.94	0.534	180.5	1347
Magnesium	Mg	24.30	1.74	923	1363
Manganese	Mn	54.94	7.47	1246	2100
Mercury	Hg	200.59	13.53	-38.8	356.7
Nickel	Ni	58.71	8.90	1453	2730
Oxygen	O	15.999	1.429	-218.4	-182.9
Phosphorus	P	30.97	1.82	44.1	280.5
Potassium	K	39.09	0.862	63.5	759
Silver	Ag	107.86	10.49	961	2163
Sulfur	S	32.06	2.07	115.2	444.6
Tin	Sn	118.71	7.26	231.9	2537
Zinc	Zn	65.37	7.14	419.5	907

Table 33 (Cont.)

	Police Fines	Fees	Franchise Taxes	Interest	Library Revenues	Other Revenues
Alton	1.6%	None	.21%	.86	2.54	.22
Aurora	.96	None	1.9	None	.19	4.6
Belleville	.39	.72	.77	None	.09	.81
Bloomington	.95	1.35	1.9	None	.81	3.3
Champaign		.42	None	None	1.46	None
Danville	3.85	.2	None	None	.44	.04
Decatur	3.6	.111	None	None	.24	8.1
E.St.Louis	.178	.51	.23	None	.039	.485
Elgin	.438	.117	.39	None		3.38
Evanston	1.59	1.73	None	1.48	.843	21.9
Freeport	4.12	None	None	1.78	.09	7.25
Galesburg	2.3	.082	None	1.24	.66	.895
Jacksonville	2.73	.067	None	None	.648	3.86
Joliet		.515	1.36	None	.435	.975
LaSalle	.573	None	None	None		.4
Moline	.236	.447	None	None		None
Ottawa	.738	.425	2.48	None	6.05	1.64
Peoria	1.15	.771	.0957	.273	.23	1.12
Quincy	1.21	None	.378	4.81	.0336	.027
Rockford	.5	.66	1.34	None	.42	8.75
Rock Island	2.03	.855	None	None		.346
Springfield	1.28	.44	.0655	None	.113	8.7
Streator	1.45	None	.575	None	.312	1.37
Urbana	.77	None	None	None	.0935	None

Country	Area	Population	Capital	Language	Religion	Government
Albania	11,000	1,000,000	Tirana	Albanian	Islam	Monarchy
Algeria	238,000	3,000,000	Algiers	Arabic	Islam	Monarchy
Andorra	468	20,000	Andorra	Catalan	Catholic	Monarchy
Angola	481,000	1,000,000	Luanda	Portuguese	Catholic	Monarchy
Antigua	178	10,000	St. John's	English	Catholic	Monarchy
Argentina	2,780,000	10,000,000	Buenos Aires	Spanish	Catholic	Monarchy
Armenia	11,000	1,000,000	Yerevan	Armenian	Christian	Monarchy
Australia	7,730,000	10,000,000	Sydney	English	Christian	Monarchy
Austria	83,859	8,000,000	Vienna	German	Catholic	Monarchy
Azerbaijan	86,600	2,000,000	Baku	Azerbaijani	Islam	Monarchy
Bahamas	139	10,000	Nassau	English	Catholic	Monarchy
Bahrain	680	10,000	Manama	Arabic	Islam	Monarchy
Barbados	166	10,000	Bridgetown	English	Catholic	Monarchy
Belarus	207,600	10,000,000	Minsk	Belarusian	Christian	Monarchy
Belgium	30,528	10,000,000	Brussels	Dutch/Flemish	Catholic	Monarchy
Belize	22,967	10,000	Belize City	English	Catholic	Monarchy
Benin	112,622	10,000,000	Cotonou	French	Catholic	Monarchy
Bhutan	38,394	10,000	Thimphu	Tibetan	Buddhist	Monarchy
Bolivia	383,913	10,000,000	Sucre	Spanish	Catholic	Monarchy
Bosnia	51,129	10,000,000	Sarajevo	Serbian/Croatian	Catholic	Monarchy
Brazil	8,511,213	10,000,000	Brasilia	Portuguese	Catholic	Monarchy
Bulgaria	110,914	10,000,000	Sofia	Bulgarian	Christian	Monarchy
Burkina Faso	274,000	10,000,000	Ouagadougou	French	Catholic	Monarchy
Burundi	27,834	10,000,000	Bujumbura	French	Catholic	Monarchy
Cambodia	183,569	10,000,000	Phnom Penh	Khmer	Buddhist	Monarchy
Cameroon	277,067	10,000,000	Yaounde	French	Catholic	Monarchy
Canada	9,970,610	10,000,000	Ottawa	English/French	Catholic	Monarchy
Cape Verde	4,035	10,000	Praia	Portuguese	Catholic	Monarchy
Casakhstan	1,000,000	10,000,000	Nur-Sultan	Kazakh	Christian	Monarchy
Catalonia	32,918	10,000,000	Barcelona	Catalan	Catholic	Monarchy
Cayman Islands	219	10,000	George Town	English	Catholic	Monarchy
Czechia	78,867	10,000,000	Prague	Czech	Catholic	Monarchy
Dominican Republic	76,635	10,000,000	Santiago	Spanish	Catholic	Monarchy
Dominica	751	10,000	Roseau	English	Catholic	Monarchy
DRC	2,344,858	10,000,000	Kinshasa	French	Catholic	Monarchy
Ecuador	283,561	10,000,000	Quito	Spanish	Catholic	Monarchy
Egypt	1,001,450	10,000,000	Cairo	Arabic	Islam	Monarchy
El Salvador	21,279	10,000,000	San Salvador	Spanish	Catholic	Monarchy
Equatorial Guinea	28,051	10,000,000	Malabo	Spanish	Catholic	Monarchy
Eritrea	122,360	10,000,000	Asmara	Tigrinya	Christian	Monarchy
Estonia	45,248	10,000,000	Tallinn	Estonian	Catholic	Monarchy
Ethiopia	1,104,308	10,000,000	Addis Ababa	Amharic	Christian	Monarchy
Fiji	183,344	10,000,000	Suva	Fijian	Catholic	Monarchy
Finland	154,858	10,000,000	Helsinki	Finnish	Catholic	Monarchy
France	643,801	10,000,000	Paris	French	Catholic	Monarchy
Gabon	267,667	10,000,000	Libreville	French	Catholic	Monarchy
Gambia	11,170	10,000,000	Banjul	English	Catholic	Monarchy
Germany	357,021	10,000,000	Berlin	German	Catholic	Monarchy
Ghana	238,533	10,000,000	Accra	English	Catholic	Monarchy
Greece	131,958	10,000,000	Athens	Greek	Catholic	Monarchy
Greenland	2,365	10,000	Narsarsuaq	Danish	Catholic	Monarchy
Grenada	344	10,000	St. George's	English	Catholic	Monarchy
Guatemala	109,886	10,000,000	Guatemala City	Spanish	Catholic	Monarchy
Guinea	245,833	10,000,000	Conakry	French	Catholic	Monarchy
Guinea-Bissau	11,245	10,000,000	Bissau	Portuguese	Catholic	Monarchy
Haiti	77,834	10,000,000	Port-au-Prince	French	Catholic	Monarchy
Honduras	112,492	10,000,000	Tegucigalpa	Spanish	Catholic	Monarchy
Hungary	93,030	10,000,000	Budapest	Hungarian	Catholic	Monarchy
Iceland	101,920	10,000,000	Reykjavik	Icelandic	Catholic	Monarchy
India	3,287,263	10,000,000	New Delhi	Hindi	Catholic	Monarchy
Indonesia	1,919,941	10,000,000	Jakarta	Indonesian	Catholic	Monarchy
Iran	1,648,195	10,000,000	Tehran	Persian	Catholic	Monarchy
Ireland	70,276	10,000,000	Dublin	Irish	Catholic	Monarchy
Israel	20,386	10,000,000	Jerusalem	Hebrew	Catholic	Monarchy
Italy	301,330	10,000,000	Rome	Italian	Catholic	Monarchy
Jamaica	10,991	10,000,000	Kingston	English	Catholic	Monarchy
Japan	377,915	10,000,000	Tokyo	Japanese	Catholic	Monarchy
Jordan	89,342	10,000,000	Amman	Arabic	Catholic	Monarchy
Kazakhstan	239,467	10,000,000	Nur-Sultan	Kazakh	Catholic	Monarchy
Kenya	224,961	10,000,000	Nairobi	English	Catholic	Monarchy
Kiribati	811	10,000	Tarawa	English	Catholic	Monarchy
Korea	100,431	10,000,000	Seoul	Korean	Catholic	Monarchy
Kosovo	10,908	10,000,000	Pristina	Albanian	Catholic	Monarchy
Kuwait	17,818	10,000,000	Kuwait City	Arabic	Catholic	Monarchy
Kyrgyzstan	199,500	10,000,000	Bishkek	Kyrgyz	Catholic	Monarchy
Laos	236,800	10,000,000	Vientiane	Laotian	Catholic	Monarchy
Latvia	64,589	10,000,000	Riga	Latvian	Catholic	Monarchy
Lebanon	10,452	10,000,000	Beirut	Arabic	Catholic	Monarchy
Lesotho	30,355	10,000,000	Maseru	English	Catholic	Monarchy
Lithuania	62,689	10,000,000	Vilnius	Lithuanian	Catholic	Monarchy
Luxembourg	2,586	10,000,000	Luxembourg	French	Catholic	Monarchy
Madagascar	592,244	10,000,000	Antananarivo	Malagasy	Catholic	Monarchy
Mali	1,240,000	10,000,000	Bamako	French	Catholic	Monarchy
Maldives	298	10,000	Male	Maldivian	Catholic	Monarchy
Malta	316	10,000	Valletta	Maltese	Catholic	Monarchy
Mauritania	1,030,700	10,000,000	Nouakchott	Arabic	Catholic	Monarchy
Mauritius	442	10,000	Port Louis	English	Catholic	Monarchy
Mexico	1,972,550	10,000,000	Mexico City	Spanish	Catholic	Monarchy
Moldova	33,846	10,000,000	Chisinau	Romanian	Catholic	Monarchy
Monaco	2,025	10,000	Monaco	French	Catholic	Monarchy
Mongolia	1,564,116	10,000,000	Ulaanbaatar	Mongolian	Catholic	Monarchy
Montenegro	13,811	10,000,000	Podgorica	Serbian	Catholic	Monarchy
Morocco	446,556	10,000,000	Rabat	Arabic	Catholic	Monarchy
Mozambique	309,309	10,000,000	Maputo	Portuguese	Catholic	Monarchy
Myanmar	676,577	10,000,000	Nay Pyi Taw	Burmese	Catholic	Monarchy
Nepal	147,181	10,000,000	Kathmandu	Nepali	Catholic	Monarchy
Netherlands	41,526	10,000,000	Amsterdam	Dutch	Catholic	Monarchy
New Zealand	268,681	10,000,000	Wellington	English	Catholic	Monarchy
Nicaragua	136,690	10,000,000	Managua	Spanish	Catholic	Monarchy
Niger	1,266,700	10,000,000	Niamey	French	Catholic	Monarchy
Nigeria	371,914	10,000,000	Abuja	English	Catholic	Monarchy
North Macedonia	25,713	10,000,000	Skopje	Macedonian	Catholic	Monarchy
Norway	385,203	10,000,000	Oslo	Norwegian	Catholic	Monarchy
Oman	121,396	10,000,000	Muscat	Arabic	Catholic	Monarchy
Pakistan	803,347	10,000,000	Islamabad	Urdu	Catholic	Monarchy
Palestine	2,367	10,000	Ramallah	Arabic	Catholic	Monarchy
Panama	75,517	10,000,000	Panama City	Spanish	Catholic	Monarchy
Papua New Guinea	610,300	10,000,000	Port Moresby	English	Catholic	Monarchy
Paraguay	407,607	10,000,000	Asuncion	Spanish	Catholic	Monarchy
Peru	1,285,178	10,000,000	Lima	Spanish	Catholic	Monarchy
Philippines	340,000	10,000,000	Manila	Tagalog	Catholic	Monarchy
Poland	312,685	10,000,000	Warsaw	Polish	Catholic	Monarchy
Portugal	92,371	10,000,000	Lisbon	Portuguese	Catholic	Monarchy
Romania	237,500	10,000,000	Bucharest	Romanian	Catholic	Monarchy
Russia	4,009,176	10,000,000	Moscow	Russian	Catholic	Monarchy
Rwanda	26,338	10,000,000	Kigali	Kinyarwanda	Catholic	Monarchy
Saudi Arabia	513,167	10,000,000	Riyadh	Arabic	Catholic	Monarchy
Senegal	76,955	10,000,000	Dakar	French	Catholic	Monarchy
Serbia	77,672	10,000,000	Belgrade	Serbian	Catholic	Monarchy
Seychelles	455	10,000	Victoria	English	Catholic	Monarchy
Sierra Leone	71,740	10,000,000	Freetown	English	Catholic	Monarchy
Singapore	710	10,000	Singapore	Malay	Catholic	Monarchy
Slovakia	49,087	10,000,000	Bratislava	Slovak	Catholic	Monarchy
Slovenia	20,271	10,000,000	Ljubljana	Slovene	Catholic	Monarchy
South Africa	1,219,090	10,000,000	Cape Town	English	Catholic	Monarchy
South Korea	100,431	10,000,000	Seoul	Korean	Catholic	Monarchy
Spain	505,992	10,000,000	Madrid	Spanish	Catholic	Monarchy
Sri Lanka	65,610	10,000,000	Columbo	Sinhala	Catholic	Monarchy
St. Kitts and Nevis	261	10,000	Basseterre	English	Catholic	Monarchy
St. Lucia	344	10,000	Castries	English	Catholic	Monarchy
St. Vincent and the Grenadines	389	10,000	Kingstown	English	Catholic	Monarchy
Sweden	450,295	10,000,000	Stockholm	Swedish	Catholic	Monarchy
Switzerland	41,284	10,000,000	Bern	German	Catholic	Monarchy
Syria	185,180	10,000,000	Damascus	Arabic	Catholic	Monarchy
Taiwan	36,192	10,000,000	Taipei	Chinese	Catholic	Monarchy
Tajikistan	141,350	10,000,000	Dushanbe	Tajik	Catholic	Monarchy
Tanzania	803,347	10,000,000	Dar es Salaam	Swahili	Catholic	Monarchy
Thailand	513,167	10,000,000	Bangkok	Thai	Catholic	Monarchy
Togo	56,723	10,000,000	Lome	French	Catholic	Monarchy
Tonga	747	10,000	Nuku'alofa	English	Catholic	Monarchy
Trinidad and Tobago	935	10,000	Port of Spain	English	Catholic	Monarchy
Tunisia	163,267	10,000,000	Tunis	Arabic	Catholic	Monarchy
Turkey	783,562	10,000,000	Ankara	Turkish	Catholic	Monarchy
Turkmenistan	141,350	10,000,000	Ashgabat	Turkmen	Catholic	Monarchy
Uganda	241,040	10,000,000	Kampala	English	Catholic	Monarchy
Ukraine	603,628	10,000,000	Kyiv	Ukrainian	Catholic	Monarchy
United Kingdom	244,818	10,000,000	London	English	Catholic	Monarchy
United States	3,719,000	10,000,000	Washington	English	Catholic	Monarchy
Uruguay	112,492	10,000,000	Montevideo	Spanish	Catholic	Monarchy
Uzbekistan	141,350	10,000,000	Tashkent	Uzbek	Catholic	Monarchy
Venezuela	916,440	10,000,000	Caracas	Spanish	Catholic	Monarchy
Vietnam	331,312	10,000,000	Hanoi	Vietnamese	Catholic	Monarchy
Yemen	527,970	10,000,000	Sana'a	Arabic	Catholic	Monarchy
Zambia	298,681	10,000,000	Lusaka	English	Catholic	Monarchy
Zimbabwe	390,757	10,000,000	Harare	English	Catholic	Monarchy

while Rockford and Decatur, both large cities have near the minimum per capita cost of government. However, of the six largest cities in the list, five have large percapita revenues, and only four cities between seventeen and seventy-five thousand population have an income less than \$6.00 per person. On the whole it may be said that the relative cost of municipal government increases with the growth of population, but that the relationship is not absolute.

In connection with this fact it may be noted from Table— that practically every city is collecting the maximum legal tax for general purposes. Thus it follows that with a growing city the demand for increased revenues is out of proportion to the increase of population, and the new income must come from other sources than general taxation. Such conditions suggest the desirability of increasing the legal tax limit as municipalities increase in size, but since such is not practical, recourse must be had to the present authorized sources of revenue. It has been the purpose of this study to examine the sources of revenue utilized by typical cities of the state, and the results have been given thruout the test with such criticism as seemed warranted to an unprejudiced observer.

It is perhaps expedient to summarize here the conclusions independently of the revenue statistics upon which they are based; and possibly these deductions will indicate potential fields of municipal revenue, or sources which are incompletly developed.

The summary is as follows:

1. That there is a wide diversity among the cities of

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the state in the assessment of both real and personal property, and an especial opportunity to increase revenues thru a more thorough assessment of personal property.

2. The consolidation of the two offices for the collection of municipal taxes would eliminate a considerable proportion of the cost of collection, and would not materially decrease the efficiency of collection.

3. The increase in the minimum saloon license tax from \$500 to 1000 would result in fewer saloons, increased revenues, and allow a smaller police force.

4. In cities where the number of saloons is restricted in proportion to the population, the license rate should be raised to cover any loss the municipality incurs thru decreasing the number of licenses.

5. Municipal revenues from general license taxation would be increased by assessing a high license against a few industries which are accustomed to license taxation. In numerous instances the present rates are unprofitably low.

6. That frequently licenses are not enforced, either because the licensing ordinances are too intricate to be easily applied, or for reason of local prejudice. Of this class is the dog tax, which if strictly enforced would yield a considerable revenue.

7. The cities which largely utilize special business taxes find it a remunerative source of revenue. In view of the usual under-assessment of stock in trade, some tax of this nature is justified. To prevent wide opposition the imposition should be

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gradual, beginning with those occupations which require some sanitary or police control.

8. The vehicle tax returns considerable sums, especially in those municipalities where there is a high rate on automobiles. The rates on horse drawn vehicles are by no means uniform thruout the state, and where the minimum tax is imposed, the return is small.

9. There is a considerable discrepancy in the collection of the tax upon foreign fire insurance companies, resulting in underpayments in many cities. A nominal license tax on all insurance brokers would facilitate the taking of annual reports of the business done.

10. Revenue from fines and costs is restricted by the frequent non- assessment of fines if the costs are paid, by failure to assess high fines, inclination to allow cases to be prosecuted by the state's attorney, rather than by the city officials, and finally the limited number of arrests which find their way into the police courts.

11. Fees are the most neglected source of municipal revenue, which, were they adequately imposed and collected, would produce a revenue equal to that obtained from general license taxes. A complete fee system would involve the abolition of the practice of allowing fees as salary, and the introduction of an adequate system of accounting.

12. Under the present prevailing system in Illinois by which public service corporations are usually allowed to fix their charges at the point of maximum profit, franchise taxes

are a tax upon the profits on the corporation rather than upon the consumer. However, only a few utilities pay for the privileges they enjoy, and these only small sums. A considerable number of franchises will expire in the near future permitting cities to make provisions for franchise payments.

13. The number of perpetual franchises, especially in the gas and telephone industries argues in favor of some form of legislative control over the prices demanded for these services.

14. There are indications that the conduct of public water plants is profitable to the cities. In some instances the rates charged are excessively high, but in most cases they are too low. On the whole, the operation of the plants has been reasonably efficient and economical.

15. The public operation of lighting plants has resulted in street lighting at a cost less than that which would have been charged by private corporations. Possibly these costs could have been all still further lowered had municipalities the right to engage in commercial lighting.

16. Publically owned cemeteries have been conducted at a loss, but the amounts involved are small.

17. The income from real property owned by the municipalities is an inconsiderable part of the budgets, and is not an adequate return upon the value of the property concerned.

18. None of the cities investigated receive an adequate return in the form of interest upon the cash balances in their treasuries; most of the cities receive no interest what-so-ever upon these funds. The annual loss is very considerable, and

should be prevented by a statute requiring city treasurers to account for the return upon funds in their possession.

19. Considerable sums are spent by municipalities as interest on short time loans made in anticipation of taxes. The rates are higher than those upon bonds, but since the funds are needed for only a few months, it is more expedient to pay a high price for short term loans than to issue bonds. In some few instances, however, debts of this nature might well be funded. A yet more profitable plan would be to permit cities to borrow from their permanent trust funds, which would insure a much higher rate of interest than is at present received.

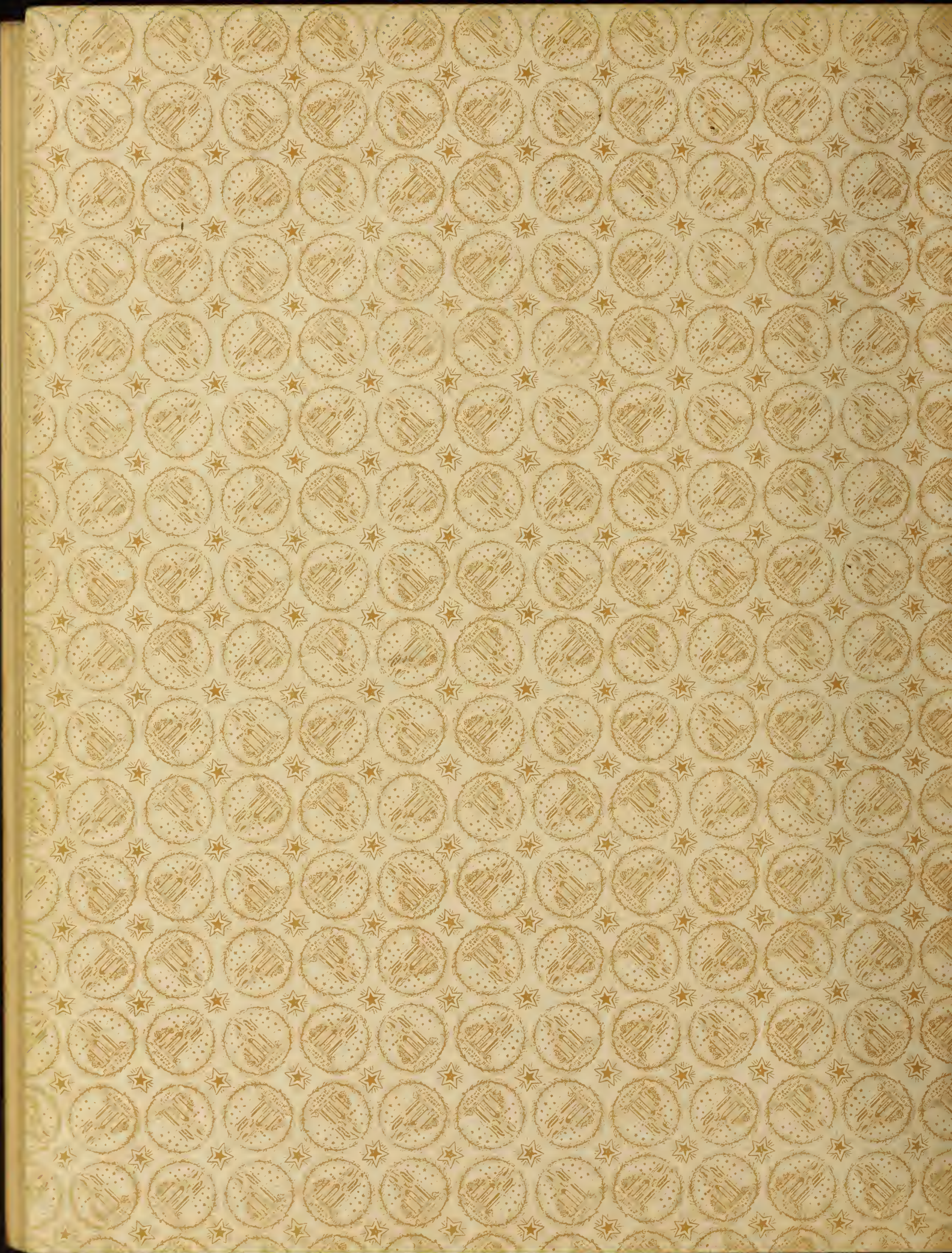
In conclusion a word may be said concerning the presenting of city budgets and the reports of city officers. From Table 31 it may be noted that there is no uniformity in the dates for the ending of the fiscal year of cities, -the dates for the submitting of departmental reports in each city being also at variance. As a result the financial statements presented in the officer's reports frequently fail to agree with the general report of the city clerk. The difficulty of checking returns or of making accurate comparisons is apparent.

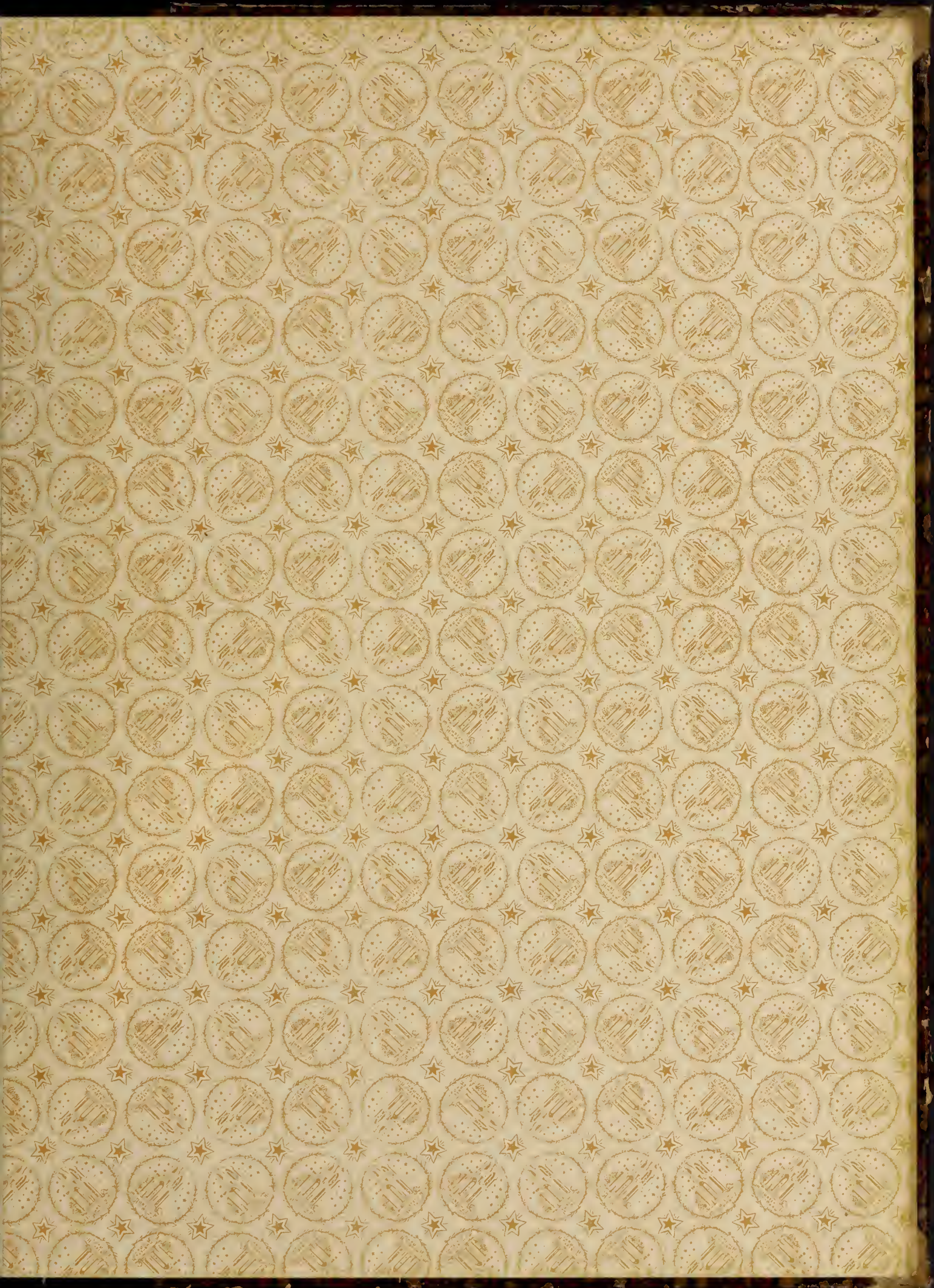
Frequently officers fail to make any report, or present briefs which do not adequately cover the work done in their departments. This makes it impossible to gather complete statistics from some cities, and is some excuse for the frequent omissions found in the tables.

Less than one-half of the cities included in this study

The first part of the paper is devoted to a general
discussion of the problem. It is shown that the
problem is of great importance in the theory of
the differential equations of the second order.
The second part of the paper is devoted to a
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publish annual reports of their financial condition, and very few of these cover all of the city departments. Evanston presents perhaps an example of the most complete report, but one which is lacking in summaries. In Rockford the report is complete in many respects, and has the added advantage of a certified accountants report on the financial condition of the city. By combining some of the best features of the reports of the several cities, a report could be outlined which would adequately indicate to the citizens and to the investigator the exact financial standing of the municipality in all of its departments.





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